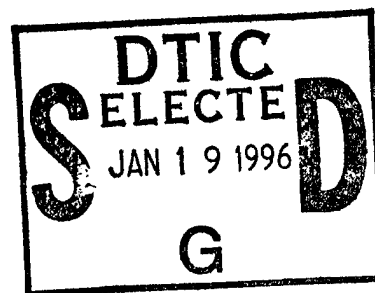


# NAVAL POSTGRADUATE SCHOOL MONTEREY, CALIFORNIA



## THESIS

### EXPERIENCED VERSUS INEXPERIENCED NEGOTIATORS

by

Mark E. Stanley

June 1995

Principal Advisor:

Mark W. Stone

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## EXPERIENCED VERSUS INEXPERIENCED NEGOTIATORS

Mark E. Stanley  
Lieutenant, Supply Corps, United States Navy  
B.A., Washburn University 1980

Submitted in partial fulfillment  
of the requirements for the degree of

### MASTER OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL

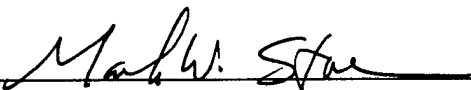
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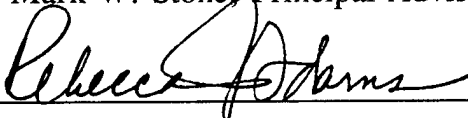


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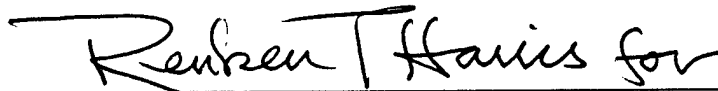
Approved by:



Mark W. Stone, Principal Advisor



Rebecca Adams, Associate Advisor



David R. Whipple, Chairman  
Department of Systems Management



## ABSTRACT

This research continues the work started by Patrick James Fitzsimmons in studying how experienced and inexperienced negotiators view and employ strategy, tactics, and ethics in pursuing their interests. The research was based on mock negotiations held at The Naval Postgraduate School for third quarter students studying Acquisition and Contract Management. Generally, the study found both experienced and inexperienced negotiators assume a cooperative approach to the negotiation process with the inexperienced group being a bit less flexible in their bargaining positions. There was no discernible differences in the ethical perspectives between the two groups. Generally the findings of this study corroborate the findings of Fitzsimmons' thesis.

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## I. INTRODUCTION

### A. PREFACE

There has been a lot written and said about the problems or perceived problems with Government procurement. With only 36% of the Federal budget now available for discretionary spending and half of this spent on defense, increased taxpayer and congressional scrutiny is being directed towards the Defense Department and its managing of the Defense Budget. Sadly, there is cause for concern. One need only look to the latest newspaper for examples of Government mismanagement in negotiating and administering defense contracts. As a case in point, in an article taken from the Washington Post dated April 3, 1995, a 3.9 billion dollar price tag for a non-operative Tri-Service Standoff Attack Missile is decried.

After nine years of delays, contract disputes, failed tests and \$3.9 billion in taxpayer funds, the Clinton Administration terminated the program a few months ago. No one was held accountable for the demise of the Tri-Service Standoff Attack Missile, known as TSSAM, (pronounced TEE-sam) pictures of which were officially released just months before the project was scrapped. Defense Secretary William Perry attributed the cancellation simply to "significant development problems" and production costs that were "unacceptably high." But the story of TSSAM pieced together from interviews provides a cautionary tale about Pentagon procurement gone awry. It reveals a mismanaged program, overly ambitious from the start, that ran into trouble early on and was allowed to go on faltering for nearly a decade.... Defense officials said the next time around, they will try for something less ambitious and more affordable--and under a more flexible contract.... Northrop--now Northrop Grumman Corp. after last years merger--has declared \$622 million in losses on TSSAM and is hoping to reach a negotiated settlement with the Pentagon over the additional costs of closing down the project. [Ref. 1: pg. 1]

Something is dreadfully wrong here and if the public trust is ever to be reestablished in the arena of defense procurements, changes will need to be brought about. One possible solution is to improve the negotiating and administrative skills of Government contracting officials. Improved negotiating skills

could lead to better contracts that would make programs easier to administer and reduce the potential for problems similar to those discussed in the article. With the shrinking defense budget, it is imperative that negotiators from both the Government and industrial sectors, regard their actions in terms of the long term effects they will have on future business relationships, and on the defense industry as a whole.

## **B. PURPOSE AND DIRECTION**

This research seeks to corroborate the work started by Patrick James Fitzsimmons and documented in his thesis "Negotiation: Experienced vs. Inexperienced Negotiators." Fitzsimmons studied the negotiation process from the stand-point of how experienced and inexperienced negotiators view and employ strategy, tactics, and ethics in pursuing their interests. One of the limiting factors of that study however, was that the sample size of 10 experienced and 11 inexperienced negotiators was really too small to conclusively support the findings. This study seeks to remedy that short-coming by expanding the sample size to 33 experienced and 53 inexperienced negotiators.

## **C. GENERAL DESCRIPTION OF THE RESEARCH**

This study is a continuation of the work started by Patrick James Fitzsimmons and by necessity, the research questions, the structure of the study, the questionnaires, and the selection of the study's participants, all follow the same criteria set forth in the original study. Under the guidance of Dr. David Lamm, who conducted and monitored the negotiations in both studies, care was given to duplicate as much as possible the setting and circumstances surrounding the negotiations.

The research centered around simulated negotiations where only cost was negotiated between private industry representatives and third quarter students in the Acquisition and Contract Management Curriculum at the Naval Postgraduate

School. Also included in this study was a class of experienced negotiators studying Contract Management at St. Mary's College in Moraga California who traveled to Monterey to participate in the simulations. The contracts negotiated were selected from a pool of contracts that had actually been awarded to the companies participating in the study. This was done both to ease the burden of the industrial negotiators in preparing their presentations as their time was both limited and valuable, and at the same time add a sense of realism to the simulations. A series of four questionnaires was distributed to the study's participants to garner their thoughts and perspectives at various stages of a negotiation. The first questionnaire was completed approximately three weeks before the negotiations took place. The second questionnaire was completed just prior to the commencement of negotiations. The third questionnaire was completed during a break in the negotiations after the hard bargaining had begun. The fourth and final questionnaire was completed immediately after the negotiations concluded.

## **D. OBJECTIVES**

There were three basic objectives in the original Fitzsimmons Study that this research sought to duplicate. The first was to analyze the changes that took place during the course of the negotiations, noting how the participants viewed the process, both when not immediately involved in active bargaining, and then again when directly confronted with an opponent. The second objective was to look at the differences in how experienced and inexperienced negotiators approached the negotiations and their perceptions of the events that took place. The third objective was to consider the issue of ethics in the negotiation process and employ a questionnaire by Dr. Roy J. Lewicki to identify those tactics and strategies that are considered ethically acceptable or unacceptable.

## **E. RESEARCH QUESTIONS**

### **1. Primary Research Question**

- How does the experienced negotiator's perspective on strategy, tactics, and ethics differ from those of the inexperienced negotiator?

### **2. Subsidiary Research Questions**

- What are the negotiator's attitudes toward employing tactics or methods that could be considered unethical or unacceptable?
- Which strategies and tactics do the negotiators consider ethical and which do they consider unethical?
- How has the negotiator's position (objective, strengths, weaknesses) changed during the negotiation process from beginning to end?
- How well did the negotiator's chosen strategy and tactics serve him during the negotiation?

## **F. CONCLUSIONS OF THE FITZSIMMONS STUDY**

Both experienced and inexperienced negotiators assumed a cooperative approach or strategy to the negotiations as opposed to a competitive strategy.

Experienced negotiators were more cautious in their approach in assessing the negotiations.

There was virtually no difference in how experienced and inexperienced negotiators viewed ethical issues.

There was a strong correlation between how negotiators viewed their own strengths and weaknesses and how they viewed their opponents' strengths and weaknesses, i.e. if a negotiator viewed his experience as a strength, he had a tendency to view his opponent's weakness in terms of the opponent's lack of experience.

In terms of ethics, there was a clear line separating acceptable and unacceptable tactics in the negotiations.

Leading motivators to deceive were camouflaging one's own position and maneuvering to achieve an agreement to one's best advantage.

Negotiators used a cooperative strategy most often and a competitive strategy least often. No one particular tactic was identifiable as the most often used, but the agenda emerged as a useful tool in controlling the negotiation.

The views, goals, and perspectives of negotiators changed very little from the beginning of the negotiation to the end of the negotiation.

## **G. SCOPE, LIMITATIONS, AND ASSUMPTIONS**

The scope of this research is focused on contract pricing negotiation. The overriding limitation of the study is that it is centered around simulated negotiations with no jobs or profit margins at stake. It is taken as common knowledge by this researcher that people will often say one thing and then in actuality do another. It is believed however, that with the anonymity of the questionnaires coupled with the caliber of the participants in the study that the data generated are value in

drawing valid conclusions to the research questions posed. Time was also a limiting factor, as each negotiation session had to be completed within a three hour period. This made it difficult for some of the negotiators to establish their positions, employing time consuming strategies and tactics. The most important assumption of this study is the determination of who was experienced and conversely, who was inexperienced in negotiations. All Naval Postgraduate School students were considered inexperienced as the vast majority of this group had little or no negotiation experience in their professional careers. All private industrial negotiators and the students of St. Mary's College were considered experienced negotiators as the vast majority of these two groups were either presently employed as negotiators or were negotiators attending graduate education classes to further develop their skills.

## **H. LITERATURE REVIEW AND METHODOLOGY**

The initial research by Patrick J. Fitzsimmons which was completed in December of 1990 was used as a base for background material for this study and indeed many of the references listed in his work are referenced here. Of particular note, these references include: "Fundamentals of Negotiation" by Gerald I. Nierenberg, "Negotiating in Organizations" by Max H. Bazerman and Roy J. Lewicki, and "The Negotiating Game" by Chester L. Karrass. To broaden the spectrum of this research and to give it a bit of originality, the book "Getting To Yes: Negotiating Agreement Without Giving In" by Roger Fisher, William Ury, and Bruce Patton is also utilized as are articles written on the topic of negotiation strategy, tactics, and ethics that have been published in the interim since December of 1990.

This research was structured around a series of mock negotiations that were conducted as part of the Pricing and Negotiations class which is a required course of third quarter students enrolled in the Acquisition and Contract Management Curriculum at the Naval Postgraduate School. A series of four



questionnaires was distributed to the participants who included third quarter NPS Students, students enrolled in a graduate class at St. Mary's College, and a group of industrial negotiators representing companies that had been awarded Government contracts. The purpose of these questionnaires was to collect information regarding negotiation strategies, tactics, and ethics throughout the course of a negotiation. The first questionnaire was distributed approximately three weeks prior to the mock negotiations. Its purpose was to collect demographic information on the participants, i.e. age, education, experience level, and formal training, as well as collect their thoughts on negotiation practices in general. A series of 18 questions created by Dr. Roy J. Lewicki was also included to garner information on various ethical issues.

A second questionnaire was completed immediately before the negotiation session began. Questions were asked concerning the time spent in preparation, each negotiator's perceptions as to the bargaining strengths and weaknesses of his own position as well as that of his opponent, each negotiator's objectives entering into the bargaining, and finally, what strategies and tactics the negotiators planned to use in achieving those objectives.

During the negotiations, a third questionnaire was completed and served as a follow-on to the second questionnaire. Questions were asked as to whether the negotiations were going as planned and if the negotiator's chosen strategy and tactics were proving effective in achieving desired goals.

Immediately after the completion of the negotiations a fourth and final questionnaire was completed. Questions here generally asked if each negotiator achieved his objectives, and how he perceived his own and his opponent's performance.

Just as in the first study, the data were collected and separated as to experienced and inexperienced negotiators. They were then subjected to limited statistical analysis where the mean and standard deviation were calculated on various questions, with the results then compared between the two groups.

## **I. DEFINITIONS**

For this study, "strategy" is defined as the compilation of techniques used in a negotiation, and "tactics" are the devices used to implement the strategy.

A "cooperative strategy" is defined as a negotiation plan that encompasses compromise and concessions in an effort to reach a fair agreement for all parties concerned.

A "competitive strategy" is defined as a negotiation plan that seeks the best deal possible for one party.

## **J. ORGANIZATION OF THE STUDY**

Chapter I presented the preface of the study and outlined its purpose, direction, scope, and limitations. Conclusions drawn from the first study by Patrick Fitzsimmons were also listed. Chapter II discusses the framework from which the research is conducted, and it focuses on how experienced and inexperienced negotiators view strategy, tactics, and ethics in the negotiation process. Chapter III presents data taken from questionnaires with regard to strategy and tactics. Demographic information on the participants is also tabulated in terms of age, education, negotiation experience, and size of their corporation. Chapter IV analyzes data concerning ethical considerations of both a general nature and on specific negotiation strategies and tactics. Chapter V addresses how negotiators view conflict, how they prepare for negotiations, their success in obtaining goals, and how well they assess strengths and weaknesses on both sides. The study concludes with chapter VI, where conclusions, recommendations, and areas for further research are presented.

## **II. THEORETICAL FRAMEWORK**

### **A. INTRODUCTION**

This chapter presents the theoretical framework from which this research was conducted. It is organized into three sections covering strategy and tactics, ethics, and the differences between experienced and inexperienced negotiators. Because it is the primary aim of this research to corroborate the Fitzsimmons Study, there is by necessity some overlap of referenced materials as this researcher felt it necessary to ascertain why the questionnaires in the study were constructed in the manner in which they were.

### **B. STRATEGY**

Negotiating is nothing more than people communicating their needs to each other in an attempt to reach an agreement where both parties stand to gain. What makes the negotiating process so interesting and at times difficult, is that people perceive and communicate things differently. If truly meaningful negotiations are ever to take place, where compromises of opposing positions are to be achieved, there must be a mutual exchange of information. Herein lies what Roy J. Lewicki refers to as the "negotiator's dilemmas." [Ref. 2: pp. 68-90]

First, each party in a negotiation must make some accommodation to the dilemma of trust--that is, come to some type of understanding of what the other side is trying to attain while keeping in mind that the other side may be distorting or manipulating facts in pursuing their own interests. Each side must overcome their distrust of the opposition; for if no one believes anything of what the other side is saying, there can be no common ground for compromise. At the same time, one cannot believe everything the other side says for fear of jeopardizing one's own best interests in reaching an agreement. [Ref. 2: p. 69]

A second dilemma deals with honesty and openness in how frank and candid one can be in presenting goals and preferences. To be completely honest

and candid leaves one's position vulnerable, and to completely withhold or deceive may jeopardize an agreement. To sustain a valid bargaining relationship, both sides must agree to some middle ground. The balance between truth and trust, and deception and distrust is what defines this middle ground and allows the negotiation to go forward. [Ref. 2: p. 69]

How the negotiator goes about the business of dealing with these dilemmas is a matter of strategy and tactics. As defined in this and the original Fitzsimmons Study, a strategy is a general approach to a problem or a compilation of techniques, while a tactic is a device or one of the techniques used to implement a strategy [Ref. 8: p. 12]. While this definition is clear, in actuality many negotiators have difficulty in distinguishing the difference between strategy and tactics. Nierenberg in chapter 10 of his book "Fundamentals Of Negotiation," goes so far as to suggest that many negotiators employ what he refers to as "stratagem," a combination of both strategy and tactics [Ref. 4: p. 147]. This idea of stratagem was born out in this study as respondents were constantly substituting and or combining the two terms. This fact did not hinder the study and what follows is a brief summary of some of the more prominent thoughts being advocated as to what effective strategies and tactics might be.

In the book "Getting To Yes" by Roger Fisher, William Ury, and Bruce Patton, it is argued that effective negotiators should avoid "positional bargaining" which is a strategy that relies on the use of hard and soft tactics. For example, hard tactics (competitive) typically emphasizes an aggressive, adversarial relationship with victory being the goal at all costs. Concessions must be granted by the other side as a condition for the contractual relationship to exist. The bargaining strengths of a negotiator are utilized to put as much pressure as possible on an opponent in forcing him to accept one's terms and conditions in an agreement. The opposite end of the spectrum emphasizes a strategy of soft tactics (cooperative). This approach advocates cultivating the business relationship and avoiding conflict even at the expense of accepting a less favorable

agreement. The logic here is that any short term gain that would come about as a result of the conflict would not be worth the costs in terms of possible future business dealings. [Ref. 3: pp. 1-81]

Because "positional bargaining" is not difficult, many negotiations fall somewhere between the two extremes of the hard and soft strategies, with negotiators simply establishing a position and then defending it. This is unfortunate, for while such a strategy may serve ultimately to reach an agreement, hidden opportunities that could benefit both sides go undetected. The authors of "Negotiating To Yes" maintain that truly effective negotiators employ a strategy of what they term "principled negotiations." To employ this strategy, one must correctly recognize the problems or issues surrounding the negotiation which entails an understanding of the other side's underlying concerns and needs. "Principled negotiations" can be broken down into four basic elements of people, interests, options, and criteria. [Ref. 3: pp. 1-81]

The first element states that people with their emotions and egos must be separated from the issues being decided. For example, divide the negotiations into substantive issues which might include the terms, conditions, prices, dates, numbers, and liabilities of a proposed contract. Consider separately the relationship issues which might include the ease of communication, degree of trust, attitude of acceptance or rejection, the balance of emotion and reason, and the emphasis on persuasion being used on the other party. There need not be a trade-off between pursuing a good substantive outcome and a good relationship; in fact the two should go hand-in-hand. The main point is that one must stay focused on the problem and not let the person arguing on the other end become part of that problem. If personalities become an issue, deal with it separately. [Ref. 3: pp. 1-81]

The second element focuses on interests rather than positions. Focusing on the other side's position or forming positions of one's own, limits maneuverability in finding alternative options to a problem. It is not so important

what the other side wants but rather why they want it. Similarly, one should explain his underlying interests to the other side to see if they can accommodate him while at the same time satisfying their own interests. One should be creative and think of himself as a problem solver first and a negotiator second. [Ref. 3: pp. 1-81]

The third element, ties in with the second in that it subscribes to being open to multiple options that promote mutual gain before deciding on one final solution. Such options are best considered away from the negotiating table in an environment that does not stifle creativity. [Ref. 3: pp. 1-81]

The fourth element of using objective criteria to reach an agreement comes into play when the interests of the two sides are directly opposed. Fair market value, expert opinion, law, or industrial standards are all good examples of objective criteria that can be used when differences cannot be reconciled via discussion. This fallback position allows for the avoidance of costly impasses with neither side being forced to give in and lose face, and allows the negotiations to continue on to other matters with no hard feelings. [Ref. 3: pp. 1-81]

The central premise in "Principled Negotiations," that of understanding the opposing side's needs, runs parallel in many respects to that of Nierenberg's "Need Theory". In chapter 7 of his book "Fundamentals Of Negotiation," Nierenberg states that "needs and their satisfaction are the common denominator in negotiation." [Ref. 4: p.89] By a negotiator analyzing his own needs as well as those of his opponent, he can discern the relative strength of those needs and then develop strategies accordingly. The more in-depth a negotiator understands his opponent's needs the more effective he will be in reaching a successful conclusion to the negotiations. [Ref. 4: pp. 89-108]

In searching out the needs of an opponent, or defining one's own position, not enough can be said of the importance of research and planning in choosing effective strategies and associated tactics. Dr. Chester Karrass in his book "The Negotiating Game," refers to planning as the cornerstone of effective negotiation,

and that this planning cannot take place while sitting at the bargaining table. Rather, the negotiator must know before hand where he is going and why. This means doing one's homework in terms of costs, budgets, objectives, competition, and any other information that could have a bearing on the negotiation. In a survey cited by Dr. Karrass, twenty six senior executives were asked to choose four traits among 45 as being the most important to a successful negotiator. Of the top seven ranked traits, the ability to plan was ranked number one with an almost 2:1 margin over the second ranked trait of problem solving. [Ref. 5: pp. 27-37]

Once the research is completed and the issues surrounding the negotiation are clearly understood, appropriate strategies may then be selected. Nierenberg, in conjunction with his "needs theory," divides strategies into two groups, those of the "when" group and those of the "how and where" group. A "when" strategy involves a proper sense of timing in implementing a strategy and includes the following. Forbearance, (patience pays) is when an opponent is held off on a decision or an answer to a question to see if anything else develops. Surprise, is a sudden and often dramatic shift in method, argument, or approach. Fait accompli, (now it is up to you) is when a negotiator acts quickly to achieve a goal and then sits back to see how an opponent will react. Bland withdrawal, is feigned ignorance of a given situation or restriction. Apparent withdrawal, is to give an opponent the impression that one has withdrawn from a given situation when indeed one has not. Reversal, is acting in opposition to what may be considered a popular trend or goal. Limits, involve using time, geographic, or communication restrictions to one's advantage. Feinting, involves an apparent move in one direction to conceal a move in another. [Ref. 4: pp. 147-181]

The second group, the "how and where strategies," pertain to the methods and areas of application a strategy may be used in a negotiation and includes the following. Participation, which is where one strives to enlist the aid of other parties. Association, which is the appeal of doing something for prestige.

Disassociation, is the process of putting negative connotations on a certain activity or group. Crossroads, is to introduce several matters into a discussion at one time so that concessions in one area may be used to demand gains in another. Blanketing, encompasses a large area of discussion in hopes of making a break through in one or more segments. Randomizing, is out bluffing an opponent by making use of the law of averages. Random samples, make the argument that a sample is a true representation of the whole population. Salami, is taking something bit by bit eventually possessing the whole piece. Bracketing, is being content within a given range rather than being precise. Agency, is allowing a third party to represent another's interests in a negotiation. Shifting levels, is changing ones involvement with a particular problem to a higher or lower level. [Ref. 4: pp. 147-181]

### **C. TACTICS**

Tactics are the tools used to implement strategies and must be chosen with the same care and research that is required in selecting strategies. In chapter 14 of "The Negotiating Game," Dr. Karrass reports that the most commonly mentioned tactics associated with business negotiations are divided into four categories; timing, authority, amount, and diversion. While Dr. Karrass accepts the rationale of tactics being the tools to implement strategy, some of what Karrass refers to as a tactic, Nierenberg refers to as a strategy, which again supports the notion that in actual practice a precise distinction of the two terms does not really exist. [Ref. 5: pp. 170-198]

"Timing tactics" are used to set the tempo of events. In business, time is indeed valuable which is why these tactics are so powerful. One of these tactics is patience. Using it requires a negotiator to give up an immediate gain in exchange for the chance of greater gains in the future. The stretch out is a variation of patience which entails a conscious decision by a negotiator to extend discussions over a longer period, so as to eliminate or minimize the uncertainty in



a contract prior to final agreement. Another time-related tactic is the deadline. If a deadline is allowed to pass without an agreement both parties in a negotiation stand to lose. [Ref. 5: pp. 170-198]

Tactics involving "authority" can be used effectively in blocking or promoting an agreement. Dr. Karrass lists five such tactics. Limited authority, is used to restrict final decisions. Approval authority, is designed to impede the settlement process. Escalating approval, imposes sequential higher level approval for an agreement. The missing man, uses the deliberate absence of a person with final decision authority to postpone an agreement. Finally, arbitration, uses an impartial third party to render a decision. [Ref. 5: pp. 170-198]

"Amount tactics" are used when dealing with price, quantity, or degree. Nine variations were cited in "The Negotiating Game" as being used with relative frequency. Fair and reasonable, is where the objective is to reach an agreement that is equitable to both sides. Bulwarism, a take it or leave it philosophy, is used when one party is unwilling to make any major concessions. Nibbling, is working towards an objective in small bits and pieces. Budget bogey, is tailoring the commodity to fit the buyer's budget. Blackmail, is one party forcing another to do something to prevent an unwanted action. Escalation, is reaching an agreement whereby one party then increases its demands. Intersection, is simultaneous negotiation of multiple and divergent contracts. Non-negotiable, is one side making exorbitant demands for the purpose of deadlocking discussions. Chinese Auction, is where a buyer invites several sellers in the presence of each other to compete for a contract. [Ref. 5: pp. 170-198]

This last group of business tactics centers around "diversion." The object of these tactics is to learn as much as possible about an opponent's position while divulging little or nothing of one's own position. There are some negotiators who question the legitimacy of this type of tactic in any negotiation, maintaining that their use is counter productive in the long term. There are others who argue that these tactics are perfectly justified and necessary in a competitive business

environment where it is the buyer's overall responsibility to be aware of what he is buying, and the seller's responsibility to get the best price for his product or service. Regardless of how a negotiator feels about these tactics, one needs to be aware of their existence and recognize when they are being used by others. Some examples are listed here. False statistics, is the deliberate use of arithmetic and or statistical errors which are designed to mislead an opponent. Scrambled eggs, is where one party deliberately complicates a transaction to confuse his opponent. Low-balling, is where one party lures an opponent into an apparent agreement with the intention of raising the price at a later date. Scoundrel, is where one bargains in bad faith and seeks to take advantage of others in any way possible. [Ref. 5: pp. 170-198]

In concluding on strategy and tactics, a word needs to be said concerning flexibility. While a good negotiator will go into a bargaining session with certain strategies and tactics based on planning and research, he should not become so entrenched with that planned course of action that he is not open to emerging opportunities that present themselves as the negotiation progresses. To quote Dr. Karrass, "the proper selection of tactical maneuvers does not guarantee success, but the negotiator who is attuned to their use and ready to make adjustments can better defend his objectives than the man who plays it by ear" [Ref. 5: p. 183]. Typical questions a negotiator might ask himself are: Are my strategies working? Are my tactics effectively communicating my position to the other side or ferreting out details of their position? What affect will my strategy and tactics have on a long term business relationship? [Ref. 5: pp. 170-198]

The above brief discussion of strategy and tactics is in no way meant to be all inclusive. In fact, in one book alone entitled "Give And Take" over 200 different strategies and tactics are discussed. [Ref. 6: pp. 1-268] It is hoped that the reader takes away from this writing a sense of the importance in the development and use of strategy and tactics in the negotiation process.

#### **D. ETHICS**

Ethical norms, whether from a divine source or otherwise, significantly influence the negotiation process [Ref. 6: p. 195]. Ethics is a difficult topic to come to terms with in that it means so many different things to different people. Behavior that is viewed as being unethical and unacceptable to one person in one setting may be perfectly acceptable in a different setting, and yet this same behavior may be altogether unacceptable to someone else in any setting. In pursuing answers to the question of what is considered ethical in a negotiation, this researcher first turned to references involving the legal community.

Lawyers negotiate contracts and are held to higher professional standards of conduct than the average business person. In his book, "Negotiation Practice," Roger Haydock writes of lawyers prescribing to a codified standard for ethical conduct, as specified in the Code of Professional Responsibility ("The Code") and the Model Rules of Professional Conduct ("The Model Rules"). A lawyer does not shed his ethical obligations merely by shifting roles to an activity outside the legal profession. [Ref. 7: p. 203] Yet even in the legal community they have trouble defining ethical behavior in contract negotiations. On the one hand, the Code of Professional Responsibility requires that lawyers not engage in conduct involving dishonesty or misrepresentation of fact. On the other hand, lawyers are required to retain the confidences and secrets of a client and to refrain from disclosing information that would adversely affect a client's interest. Considered opinions about the propriety of lying during negotiations range from the position that a lawyer should never resort to lies, to the position that certain situations may justify lies, to the position that a lawyer must lie in some circumstances to protect client interests. [Ref. 7: pp. 195-212]

Legal precedents defend the adversarial relationship of contract negotiations with the doctrines of "caveat emptor" (buyer beware) and arm's length transactions. While there are restrictive laws regarding the formation of contracts and fraudulent activity, the courts have also recognized the customary exchange

of mutually exaggerated statements and the existence of business standards with minimal ethical restrictions. Neither the Code nor the Model Rules have any provisions that state that lawyers acting as negotiators must deal with opposing sides with candor and fairness. The decision to take advantage of an opponent is left to the client in consultation with his attorney. [Ref. 7: pp. 195-212]

In a survey conducted by the University of Michigan Law School, negotiators reported that although they did not plan to do so, they made misrepresentations during negotiations, because the absence of being held accountable prompted them to take advantage of the situation. [Ref. 7: p. 205] Others reported that their questionable ethical behavior was prompted by the pressure to gain as much as possible for their client. The amount of money or importance of the issues involved, and the need to compete and win were also contributing factors. The survey went on to state that the lower the probability of discovery and punishment, the higher the probability of unethical behavior occurring. While not advocating unethical behavior, Haydock concludes that the reality of the above findings makes it more difficult for honest negotiators to remain honest when they are put at a disadvantage by the unethical practices of others. [Ref. 7: pp. 195-212]

In another study entitled "Lying And Deception, A Behavioral Model," Leroy J. Lewicki maintains that lying and deception are an intricate part of the negotiating process, and that some forms of deception are considered traditionally acceptable. Lying and deception are intentional and indeed essential if one is to maximize objectives in a negotiation. This same deceitful behavior however, has a price in that it destroys trust between contracting parties. While lying and deception may enhance the negotiator's short term power base and competitive advantage, discovered lies are likely to have a negative impact on the opponent prompting unwanted actions such as increased supervision, investigation, reprisal, or termination of the business relationship all together. So why do negotiators lie? [Ref. 2: pp. 68-88]

Lewicki writes that the primary reason for deceptive tactics or lying is to gain power over an opponent, and that accurate information is a basis of power. Lies enhance the power of a negotiator in that they (1) misinform an opponent so as to obscure some objective, (2) eliminate or obscure relevant choice alternatives for an opponent, (3) manipulate the perceived costs and benefits of choice alternatives, and (4) change the degree of uncertainty in an opponent's choices. [Ref. 2: pp. 68-88]

Situational factors influencing the use of deceptive tactics include:

- (1) Rewards and punishment. If negotiators perceive the rewards of unethical behavior outweigh the risks, such behavior may increase.
- (2) Relationship between negotiators. Most negotiators will shy away from lying to or deceiving a friend. If, on the other hand, one perceives an opponent as a liar or an adversary, a negotiator may feel justified in using deceptive tactics to protect his position.
- (3) Length of relationship. Successful long term business relationships are usually the result of consideration and mutual benefit. The longer the relationship the less the likelihood for the need of deception.
- (4) Power and status differences between the negotiators. People in elevated positions are more prone to resort to questionable ethical activity in that they are less likely to be challenged and they may have a greater need to control.
- (5) Group, organizational, and cultural norms. Peers and bosses were found to have the greater influence over an employee's ethical conduct as compared to company policy. [Ref. 2: pp. 68-88]

## **E. EXPERIENCED AND INEXPERIENCED NEGOTIATORS**

According to studies done by The Huthwaite Research Group, there is a difference in the manner in which experienced and inexperienced negotiators go about the business of negotiating. While there are no significant differences in the amount of time both groups spend preparing, the experienced negotiator tends to

be more focused on relevant issues and spends his time more productively. He is more inclined to consider a wider selection of options in trying to reach an agreement than is his inexperienced counterpart, and because of this, he is also better able to predict what his opponent's starting position might be. [Ref. 8: pp. 37-41]

In preparing for a negotiation both groups of negotiators focused on areas of conflict. The experienced group however, spent almost three times as much effort searching out areas of agreement, for the purpose of building positive foundations from which they could bridge to the more difficult issues. Their concern was to avoid getting hung up on matters of little consequence and keep the negotiations moving in a positive direction towards an agreement. On this same note of being positive, experienced negotiators are less prone to use irritators such as insults or unfavorable insinuations on an opponent. They realize that any type of verbal assault that antagonizes without persuading is of little or no value. [Ref. 8: pp. 37-41]

In terms of perspective, both groups show a tendency to be rather near-sighted, struggling to get the best deal possible today and leaving the long term opportunities for another time. The experienced negotiator though, will be more flexible in presenting his position in terms of an acceptable range, thus giving him more room to maneuver in achieving those short term goals. [Ref. 8: pp. 37-41]

On the other hand, the inexperienced negotiator has a tendency to be dependent upon a rigid agenda in presenting his position and as a consequence, sometimes misses opportunities. Furthermore, if the opposing side refuses to follow the agenda set by the inexperienced negotiator, the inexperienced negotiator will often times find himself thrown off track and flustered in defending his position rather than asserting it. When the inexperienced negotiator chooses to attack an opponent's position, he builds up to the attack gradually. He will use more arguments in presenting his position than will his more experienced counterpart

and in so doing open himself up to more varied forms of rebuttal. This also allows the opponent to build his defenses gradually which limits the attack's effectiveness. [Ref. 8: pp. 37-41]

The experienced negotiator was found to attack less often but when he does attack, he does so with more vigor and without warning. He will substantiate a position with his best argument and then let it stand. He will wait on the opposition to see how the argument is received and then make his next move accordingly-- being careful not to offer up any new information needlessly. The experienced negotiator will also use twice as many questions as his counterpart. He will do so to gain or maintain control of a situation as he is constantly searching out information about his opponent's position while revealing little of his own. [Ref. 8: pp. 37-41]

Another important difference between the experienced and inexperienced negotiator is in the use of confirmation and summarization. The experienced negotiator will go out of his way throughout a negotiation to summarize what there has been agreement on to confirm that both sides have a mutual understanding of the pertinent facts. Not only does this eliminate misconceptions on both sides but it prevents issues from resurfacing later in the negotiations. [Ref. 8: pp. 37-41]

## **F. SUMMARY**

This chapter addressed the broad theoretical framework from which this study will be conducted. Patrick J. Fitzsimmons in his original study provided the structure and scope for this work. Nierenberg, Karrass, Fisher, Ury, and Patton are the principal authors providing thoughts and ideas on strategy and tactics.

The background material on ethics and indeed many of the questions used in this study were provided by Dr. Leroy J. Lewicki. The work of Roger Haydock was also heavily referenced in this section.

The final section addressed the distinction between experienced and inexperienced negotiators. Research conducted by The Huthwaite Research

Group, as presented by Fitzsimmons in his thesis, heavily influenced the thoughts and ideas surrounding this particular area of the study.



### **III. STRATEGY AND TACTICS**

#### **A. INTRODUCTION**

This chapter presents demographic, strategic, and tactical data collected from four questionnaires. The responses are presented in the order that they appear in the questionnaires and are broken down into the two groups of "experienced" and "inexperienced" negotiators. For those questions requiring a short answer, a sampling of the most common responses is provided. Those questions requiring an assignment of numerical value, a statistical analysis is used to cite the mean, standard deviation, range, and mode. The end of the chapter presents an analysis of the data, comparing the responses of the experienced to the inexperienced negotiator. The experienced group of negotiators consisted of thirty-one participants and the inexperienced group consisted of fifty-four participants. Responses not totalling the above mentioned figures are due to multiple responses, or non-responses to the questions.

#### **B. DEMOGRAPHICS**

Questionnaire # 1 contained all the demographic questions and was included in the study to substantiate the experience level and education of the participants.

##### Experienced:

1. Age:

20-25 years	(1)
26-30 years	(1)
31-40 years	(13)
41+ years	(16)
2. Education:

High School	(0)
Bachelor's Degree	(8)
Post Bachelor's effort,	

- |                  |      |
|------------------|------|
| no degree        | (16) |
| Master's Degree  | (5)  |
| Doctorate Degree | (2)  |
3. Have you had any negotiation training? No training (5)
- |  |      |
|--|------|
| a. college course                                    | (13) |
| b. short course or similar outside your organization | (21) |
| c. organization program in house                     | (15) |
| d. other   | (7)  |
4. How long ago was this training completed?
- |               |      |
|---------------|------|
| a. 0-3 years  | (29) |
| b. 4-6 years  | (14) |
| c. 7-10 years | (8)  |
| d. 11+ years  | (5)  |
5. How long have you been with your present company?
- |               |      |
|---------------|------|
| a. 0-5 years  | (12) |
| b. 6-10 years | (10) |
| c. 11+ years  | (9)  |
6. How many years of negotiation experience do you have?
- |               |      |
|---------------|------|
| a. 0-2 years  | (8)  |
| b. 3-6 years  | (6)  |
| c. 7-10 years | (7)  |
| d. 11+ years  | (10) |
7. Please describe the types of negotiating you have done. (face to face versus telephone)
- |                 |      |
|-----------------|------|
| a. face to face | (29) |
| b. telephone    | (29) |
8. Are you a Government or an industry negotiator?
- |             |      |
|-------------|------|
| industry    | (29) |
| no response | (2)  |
9. Is yours a large or small company?
- |             |      |
|-------------|------|
| large       | (22) |
| small       | (5)  |
| no response | (2)  |

### Inexperienced Negotiators

1. Age:
  - 20-25 years (0)
  - 26-30 years (3)
  - 31-40 years (49)
  - 41+ years (2)
2. Education:
  - High School (0)
  - Bachelor's Degree (0)
  - Post Bachelor's effort, no degree (47)
  - Master's Degree (7)
  - Doctorate Degree (0)
3. Have you any negotiation training?
  - a. college course (20)
  - b. short course or seminar (outside the organization) (15)
  - c. organization program (in house) (14)
  - d. other (6)
4. How long ago was this training completed?
  - a. 0-3 years (49)
  - b. 4-6 years (4)
  - c. 7-10 years (1)
  - d. 11+ years (1)
5. How long have you been with your present company?
  - a. 0-5 years (0)
  - b. 6-10 years (34)
  - c. 11+ years (20)
6. How many years of negotiation experience do you have?
  - a. 0-2 years (48)
  - b. 3-6 years (3)
  - c. 7-10 years (1)
  - d. 11+ years (2)

7. Please describe the types of negotiating you have done. (face to face versus telephone)
  - a. face to face (20)
  - b. telephone (11)
8. Are you a Government or industry negotiator?  
Government (54)
9. Is yours a small or large business?  
N/A

### C. QUESTIONNAIRE #1

Questionnaire #1 was passed out and completed about three weeks before the actual negotiations took place and contained nine questions on strategy and tactics.

Question 3. How do you respond when tactics that may be viewed as unethical or unacceptable are used against you?

The purpose of this question is to evaluate how a negotiator might respond to perceived unethical tactics used against him or if any thought was even given to the possibility of such an occurrence prior to the negotiations.

#### Experienced:

Bring the unethical practice out in the open and stress the need to keep the negotiations above board. (10)

Suspend the negotiations or walk out. (9)

Become extremely aggressive and negotiate for concessions by the other party; negotiate to win rather than achieve a fair and reasonable contract. (3)

#### Inexperienced:

Bring the tactic out in the open and confront the other party about it. (11)

Get angry. (9)

Ignore the tactic and press on. (7)

Suspend the negotiations or walk away (5)

Use like tactics against the opponent. (4)

Question 5. What key word best describes your approach to a negotiation?

- a. competition
- b. compromise
- c. cooperation
- d. other

The purpose of this question is to identify the negotiator's general philosophical approach to negotiations and further explore if correlations exist between these philosophies and specific tactics.

Experienced

Competition (2)  
Compromise (10)  
Cooperation (18)  
Other (preparation)

Inexperienced

Competition (8)  
Compromise (20)  
Cooperation (26)  
Other (no response)

Question 9. When negotiating, how much attention do you pay to your opponent's non-verbal signals (e.g. facial expressions, body movements, etc.)? scale 1 to 10

The purpose of this question is to assertion how aware negotiators are of body language and if they feel it is important or has a place in the negotiation process. Does the body language of an opponent affect the choice of tactics? A value of 1 means that no attention was paid to non-verbal signals while a value of 10 signifies a great deal of attention.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.313	1.554	3-10	8

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.148	1.877	3-10	8

Question 14. In developing your strategy and tactics, to what degree do you attempt to learn about your opponent's needs, capabilities, and goals? scale 1 to 10

The purpose of this question is to focus on the extent to which the participants actually went about the process of learning their opponents' needs and concerns. A value of 1 signifies that the negotiator spent no time learning his opponent's needs, while a value of 10 signifies a maximum effort.

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.387	1.430	3-10	8

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.259	1.277	6-10	8

Question 16. What tactics do you employ most often in a negotiation?

The purpose of this question is to identify what tactics are used most often, and what determines their use, i.e. negotiating philosophy, opponent's tactics, or the strengths and weaknesses of a bargaining position. Are tactics preplanned before the negotiations start or are they formulated as the negotiations progress? Is one strategic approach more successful than another? The tactics mentioned most often include:

Experienced:

Communicating and reasoning with the buyer, assessing his needs. (11)

Presenting facts honestly in a straight forward fashion to support our position. (9)

High balling. (3)

Make concessions on throw away items while holding firm on the major issues. (3)

Inexperienced:

Questions and active listening. (15)

No answer. (12)

Challenge opponent's figures with statistical data. (8)

Low balling. (4)

Question 17. What tactics do you see employed most against you?

The purpose of this question is to determine those tactics used most often by negotiators' opponents. Are they the same tactics used by the negotiators themselves? Tactics mentioned most often are:

Experienced:

Low balling. (8)

Intimidation. (5)

Being firmly entrenched with a position and unwilling to negotiate. (4)

Win/Win, cooperation. (3)

Inexperienced:

No response. (18)

Strong arming, take it or leave it proposition. (6)

High balling. (4)

Defensive posture, disputing our figures. (4)

Question 18. Under what circumstances do you establish your opponent's authority limits?

The purpose of this question is to determine if and under what circumstances authority limits become an issue during a negotiation.

Experienced:

Always. (21)

When there have been no previous dealings with this particular negotiator. (3)

Inexperienced:

Always. (23)

No answer. (17)

When not sure. (4)

70% of the time. (1)

Question 21. During a negotiation, how likely are you to use irritators to provoke or unsettle your opponent? (e.g. imply your opponent's position is unfair or unreasonable or that he lacks an understanding of the issues) scale 1 to 10

The purpose of this question is to determine how often irritators are used and their perceived effectiveness in a negotiation. A value of 1 indicates a low usage rate and a value of 10 a high usage rate.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.71	1.755	1-7	3

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.648	2.156	1-10	3

Question 23. In your planning, how frequently do you identify the sequence of issues to be addressed, as opposed to addressing issues but in no specific sequence? scale 1 to 10

The purpose of this question is to determine the value negotiators place on maintaining agendas as a negotiation tactic. Is it a viable method of maintaining control of a negotiation? A value of 1 indicates that events were never sequenced, and a value of 10 meant that they were heavily sequenced.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.903	1.868	3-10	7

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.5	1.746	2-10	7



## **D. QUESTIONNAIRE #2**

Questionnaire #2 was handed out and completed immediately prior to the negotiation session. It contained 11 questions concerning strategy and/or tactics and was designed to relate directly to the negotiations at hand.

Question 9. What tactics and strategy do you anticipate employing in this negotiation?

The purpose of this question is to determine if there was any preplanning by the negotiators in the use of a particular strategy or tactic, and if there is any difference between experienced and inexperienced negotiators in the strategy and tactics they employ.

### Strategy

#### Experienced:

Straight forward approach presenting facts to support position. (10)

Win/win, express a willingness to cooperate to achieve a fair contract. (6)

Let the buyers do most of the talking and respond accordingly. (4)

Concentrate on the details of the contract to take advantage of superior technical knowledge. (4)

#### Inexperienced:

Straight forward in presenting position. (11)

Win/win philosophy, develop long term business relationship. (9)

Stay out of the weeds (avoid details). (4)

Question actively and make seller justify his position. (3)

### Tactics

#### Experienced:

Listen. (5)

Counter proposal. (3)

Negotiate on certain items only, have throw away concessions to appease the opposition. (3)

Flood the opposition with detail and then drop to the bottom line. (2)

Inexperienced:

Use historical data to question seller on his position. (14)

Good guy/ bad guy approach using different members of the team to play the roles. (5)

Low ball. (5)

Forbearance. (3)

Concession for concession. (2)

Question 10. What do you expect to be two principal areas of conflict in the negotiation?

The purpose of this question is to prompt the negotiators into thinking of possible areas of conflict and the impact that these areas may have on the flow of the negotiations. The most prevalent responses included the following:

Experienced:

Profit margins. (10)

Material costs. (8)

Labor hours. (8)

Warranty issues. (8)

Inexperienced:

Profit margins. (21)

Labor hours. (16)

Material costs. (15)

G&A rates. (12)

Overhead rates. (4)

Question 11. What do you expect to be two principal areas of agreement?  
What use do you intend to make of them, if any?

The purpose of this question is to prompt the negotiators into thinking of possible areas of agreement and how they intend to capitalize on them.

Experienced:

Labor hours. (9)

Overhead rates. (6)

Material costs. (4)

Delivery schedule. (4)

Inexperienced:

Material costs. (17)

Labor costs. (17)

Overhead rates. (16)

Contract type. (5)

Question 12. Do you intend to obscure or camouflage any of your negotiating goals or objectives from your opponent? Yes or no. If yes, what tactics will you use for this purpose?

The purpose of this question is to identify if a negotiator intends to hide his objectives, and to identify the most prevalent tactics used for this purpose.

Experienced:

No (25)

Yes (8)

Not disclose objectives until the end of the negotiations. (3)

Answer questions without divulging information. (1)

Throw away concessions. (1)

Inexperienced:

No (31)

Yes (23)

Low ball. (9)

Use DCAA audit report as a distracter. (2)

Throw away concessions. (2)

Salami approach. (2)

Question 12b. How successful do you believe the tactics will be? (Please state in percentage terms)

- a. less than 25%      c. 51%-75%
- b. 26%-50%          d. greater than 75%

The purpose of this question is to determine the degree of confidence the negotiator has in implementing deceptive tactics. An answer of 50% means that the negotiator felt that he would be successful 50% of the time in hiding his objective from the other side.

Experienced:

Mean    81%  
Range    25%-greater than 75%  
Mode    50% to 75%

Inexperienced:

Mean    71%  
Range    25%-greater than 75%  
Mode    50% to 75%

Question 13. Have you identified any specific goals or objectives that you will attempt to keep your opponent from attaining? Yes or no.

The purpose of this question is to again identify a negotiator's general approach or philosophy entering into a negotiation. Is he conciliatory or confrontational in his attitude towards his opponent?

Experienced:

Yes (11)  
No (20)

Inexperienced:

Yes (32)  
No (21)

Question 14. How do you intend to control this negotiation?

The purpose of this question is to determine if the negotiator deemed control an important aspect of the negotiations and if so, how he planned to gain and maintain that control.

Experienced:

Agenda. (8)

Active listening. (6)

Make the buyer support his position. (2)

Control tempo by agreeing and disagreeing. (2)

Inexperienced:

Agenda. (22)

Questions. (6)

Silence. (2)

Caucus. (2)

Question 15. Have you prepared a written agenda that you intend to use for this negotiation? Yes or no.

The purpose of this question is to determine the importance of structure to the negotiator in achieving his goals. If he has taken the time to write an agenda, it will be inferred that he has given thought to the way he would like the negotiations to proceed and that he would prefer to take an offensive rather than defensive stance in his bargaining approach.

Experienced:

Yes (7)

No (26)

Inexperienced:

Yes (45)

No (9)

Question 16. Have you prepared a list of concessions or compromises that you are willing to make in order to enhance your chances of attaining your real goals? Yes or no.

The purpose of this question is to indicate the level of preparation the negotiators attained. The use of concessions and compromises is a useful tactic but it takes research and an understanding of the critical issues to be used effectively.

Experienced:

Yes (25)

No (8)

Inexperienced:

Yes (47)

No (7)

Question 18. Do you expect that your opponent will deride your proposal or position? Yes or no. If he does, will you be willing to use the same tactic toward his proposal or position? Yes or no.

The purpose of this question is to determine if derision, a negative tactic, is considered acceptable and or effective in a negotiation.

Experienced:

Expect it:

Yes (18)

No (13)

Use it:

Yes (9)

No (22)

Inexperienced:

Expect in:

Yes (26)

No (28)

Use it:

Yes (20)

No (30)

no response (4)

### E. QUESTIONNAIRE #3

Questionnaire #3 was distributed during the negotiation session and was meant to be a quick reference as to the progress being made in achieving goals and reaching an agreement. This questionnaire contained four questions relating to strategy and tactics.

Question 1. To what extent do you believe you are achieving your objectives?

The purpose of this question is to reference how the bargaining is proceeding at this stage of the negotiations. It also served as an indicator of the negotiator's effectiveness in preparing for the negotiations. A value of 1 meant that goals were not being achieved and a value of 10 meant that all goals had been achieved to that point.

#### Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.774	2.376	1-10	7

#### Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.963	1.913	2-10	5

Question 3a. Are you using the tactics and strategy you planned to use? Yes or no. If yes, how successful do you believe you are at this point? scale 1 to 10

The purpose of this question is to again determine the effectiveness of the negotiator's planning and research in developing his strategy and tactics. A value of 1 indicates no success and a value of 10 indicates maximum success.

Experienced:

Yes (29)

No (2)

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.448	1.594	3-8	8

Inexperienced:

Yes (53)

No (1)

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.222	1.777	2-10	6

Question 3b. If not successful, why not?

The purpose of this question is to ascertain from the negotiator why his game plan has not worked to this point in the negotiations.

Experienced:

Other side playing hardball.

Buyers are better prepared than anticipated.

Inexperienced:

Rejected tactic.

Question 4. To what extent do you believe you are controlling the negotiation? scale 1 to 10

The purpose of this question is to determine the amount of success the negotiator felt he was having in controlling the negotiations, while still in the middle of intense bargaining. A value of 1 indicates minimal control and a value of 10 maximum control.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.968	1.741	2-9	6



Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.407	1.536	3-10	6,7

**F. QUESTIONNAIRE #4**

Questionnaire #4 was completed at the conclusion of the negotiations and addressed general negotiation concepts. Of the thirteen questions on the questionnaire, three pertained to strategy and tactics.

Question 2. How effective do you think your tactics and strategy were?  
(please state in percentages)

- a. less than 25%                      c. 51%-75%
- b. 26%-50%                          d. greater than 75%

The purpose of this question is to determine from the negotiator's perspective of how effective he felt in achieving his objectives. A mean of 50% indicates that the negotiator's strategy and tactics were effective 50% of the time.

Experienced:

Mean 71%

Range 25% to greater than 75%

Mode 75%

Inexperienced:

Mean 68%

Range 25% to greater than 75%

Mode 75%

Question 3. Were you at any time forced to change your tactics or strategy? Yes or no. If yes, why were you forced to change?

The purpose of this question is to determine how effective the negotiator was in adapting to the negotiations as they developed in applying new or different tactics, and to ascertain what situations provoked the change.

Experienced:

Yes (14)

No (17)

Reasons:

Our bottom line changed.

Not well enough prepared.

Needed to take control of the negotiations.

Inexperienced:

Yes (20)

No (34)

Reasons:

Last minute hard bargaining by the other side.

Not well enough versed on the technical issues.

Other side disagreed with our figures.

Wanted to talk bottom line but got stuck in the weeds.

Question 6. If it was your intention, were you able to obscure or camouflage your negotiating goals or objectives from your opponent? Yes or no or N/A. If yes, what was your principal tactic in doing so?

The purpose of this question is to identify how often deception was used as a strategy and to identify the more prevalent tactics used to implement it.

Experienced:

Yes (3)

No (8)

N/A (22)

Tactics

Not giving exact bottom line figures.

Steer discussions away from cost line.

Become aggressive at the end of the negotiations.

Inexperienced:

Yes (14)

No (18)

N/A (22)

Tactics

Surprise.

Trial balloon.

Never disclose our position.

Misdirection.

Let opponent do most of the talking and then make counter offer.

Vacillate on price.

**G. ANALYSIS**

The analysis of this chapter's data regarding demographics, strategy, and tactics is presented in two stages. First, a demographic comparison of this study's participants is made to those of the original study to ensure that there are no significant differences between the two sample groups. Second, the answers provided to the four questionnaires regarding strategy and tactics are considered in the order in which they appeared on the questionnaires. The reader is reminded that questionnaire #1 was completed three weeks before the negotiations and its questions were general in nature and not affiliated with the negotiations themselves. The questions on questionnaires 2, 3, and 4 were however tied to the negotiations and represented a progression of thought from immediately before, during, and immediately after the bargaining session.

**1. Demographics**

The demographic data were analyzed in respect to six areas of interest and in three phases to ensure that the sample groups of both this and the original study were representative of the same population. First, the experienced groups of both studies were compared side by side. Next, the inexperienced groups were

compared in the same manner. Finally, the relationship of the inexperienced group to the experienced group was expressed as a ratio and then compared to the other study. The results are as follows:

**a. The Number of Participants**

Experienced:

1st study 2nd study

(10) (31)

Ratio 1st study

inexperienced/experienced

(1.1)

Inexperienced:

1st study 2nd study

(11) (54)

Ratio 2nd study

inexperienced/experienced

(1.74)

**b. The Average Age of the Participants**

Experienced:

1st study 2nd study

(36.6 yrs) (37.48 yrs)

Ratio 1st study

inexperienced/experienced

(.92)

Inexperienced:

1st study 2nd study

(33.73 yrs) (34.83 yrs)

Ratio 2nd study

inexperienced/experienced

(.93)

**c. The Average Number of Years of Education**

Experienced:

1st study 2nd study

(16.7 yrs) (17.1 yrs)

Ratio 1st study

inexperienced/experienced

(1.02)

Inexperienced:

1st study 2nd study

(17.0 yrs) (17.13 yrs)

Ratio 2nd study

inexperienced/experienced

(1.00)

**d. The Average Number of Negotiation Training Courses**

Experienced:

1st study 2nd study

(1.7) (1.81)

Inexperienced:

1st study 2nd study

(.82) (1.02)

Ratio 1st study  
inexperienced/experienced  
(.48)

Ratio 2nd study  
inexperienced/experienced  
(.56)

***e. The Length of Employment with Present Company***

Experienced:

1st study 2nd study  
(5 yrs) (6.94 yrs)

Ratio 1st study  
inexperienced/experienced  
(1.67)

Inexperienced:

1st study 2nd study  
(8.36 yrs) (9.11 yrs)

Ratio 2nd study  
inexperienced/experienced  
(1.31)

***f. The Average Number of Years of Negotiation Experience***

Experienced:

1st study 2nd study  
(5.5 yrs) (6.39 yrs)

Ratio 1st study  
inexperienced/experienced  
(.3)

Inexperienced:

1st study 2nd study  
(1.64 yrs) (1.67 yrs)

Ratio 2nd study  
inexperienced/experienced  
(.26)

Except for the slight imbalance of inexperienced to experienced negotiators in study two, there is no real difference in the demographic composition of the two sample groups. Based on the above comparisons and the sources of the samples, this researcher concludes that the data collected in this study are valid for the purpose of corroborating Patrick J. Fitzsimmons' work.

**2. Strategy and Tactics**

Questionnaire #1 (This questionnaire was completed three weeks before the negotiations.)

Question 3 sought to find out how negotiators responded to unethical tactics being used against them. Both the experienced and inexperienced group alike responded strongly that such tactics were counter productive. In fact, no one in

the experienced group was willing to let the unethical tactic go unanswered with the majority stating in essence, that they would bring the practice out in the open and insist that it stop as a condition for the negotiations to continue. Responses were very similar from the inexperienced group with the lone exception that seven negotiators were willing to ignore the unethical tactics and press on towards reaching an agreement.

The responses of the first study were not quite as strong in their sentiments on unethical behavior. While both the experienced and inexperienced groups condemned such tactics, they were more inclined to tolerate or ignore their use and continue on with the negotiations. One possible reason for the difference in the two studies' findings is that with today's shrinking Defense Budget, trust and cooperation in forming mutually beneficial relationships is becoming paramount to survival, i.e. it is better to walk away from a potentially sour deal than to risk one's reputation and resources seeking limited profits.

Question 5 sought to find out what kind of general attitudes negotiators have in their approach towards negotiations. As in the first study, both the experienced and inexperienced groups overwhelmingly cited cooperation and compromise as the best means of reaching an agreement. Only 6.45% of the experienced group listed competition as a preferred approach as did 14.81% of the inexperienced group. While these last two percentages are certainly small, they are worthy of note in that they signify that there are negotiators who aspire to the win-lose philosophy and the prudent negotiator should be mindful of their existence.

Question 9 pertained to the significance negotiators give to reading body language. With means of 7.31 for the experienced group and 7.15 for the inexperienced group, a lot of attention is indeed paid to this area. This researcher was surprised by the value put on this medium of communication as body language is very easily misread and can be used effectively by a knowledgeable opponent to purposely mislead. With all the things that need to be taken in during a negotiation, judging whether an opponent is bored, tired, or just comfortable with

his arms crossed doesn't seem worthy of much thought. This researcher however, seems to be in the minority as the means of the original study were also above 7.00 for the experienced group and a somewhat weaker but still moderate 5.46 for the inexperienced group.

Question 14 sought to find out the amount of time and effort negotiators spent learning about an opponent's negotiating position. Both the experienced and inexperienced negotiators placed a great deal of value in preparing for negotiations in this manner and indicated so with means of 8.39 and 8.26 respectively. These strong readings were not unexpected as most if not all the current literature on negotiations advocate the importance of knowing an opponent's needs and concerns in reaching an agreement. These mean scores also compared favorably with the 7.73 and 8.55 of the original study.

Question 16 sought to find the tactics most often used by the negotiators. For the experienced group, open communication and presenting facts in a straight forward fashion were the predominate thoughts accounting for 20 of the 26 responses to the question. Of the inexperienced group, 15 mentioned questions and active listening, 12 had no response as they had no negotiating experience with which to base an answer, and eight mentioned challenging the opposition's figures with statistical data. The inexperienced group seemed more aggressive in their selection of tactics as they were constantly looking for inconsistencies in the opposing sides position. These findings were very similar to those of the original study and like the original study, both the experienced and inexperienced groups lacked a tactical term vocabulary that would have allowed them to answer the question more fully.

Question 17 asked the negotiators to identify those tactics most often used against them. The experienced group cited low balling, intimidation, and a general unwillingness of the other side to negotiate. Most of the inexperienced group had no response to the question as they had no experience to base a response on. Of those inexperienced negotiators that did answer however, strong arming, high

balling, and an unwillingness of the other side to negotiate were the tactics most often mentioned. The responses to this question were interesting in light of the fact that most, if not all the tactics mentioned were negative. There seems to be a fair amount of questionable ethical tactics being practiced in the world of negotiations which would indicate that it is successful, yet this same behavior is said to be counter productive both in the literature and in the responses to question 3. More will be said of this inconsistency in chapter V where ethics is discussed.

Question 18 sought to find out if and when a negotiator establishes an opponent's authority limits. The experienced group responded almost unanimously with always or when not sure. Of those that answered the question in the inexperienced group (17 did not), their overwhelming response was the same. Again, this strong single response by both groups is not surprising as most of the current literature on negotiation advocates clearing up authority issues up front so that they become a non-issue and one less distraction.

Question 21 sought to find out how inclined a negotiator might be to use irritators such as questioning an opponent's negotiating skills or his ability to comprehend pertinent facts as a viable tactic. Neither the experienced group, with a mean of 3.71, nor the inexperienced group, with a mean of 4.65, were too keen on their use. Both groups seemed to realize that confrontation without persuasion is of little value. The fact that the inexperienced group was slightly more inclined to use irritators was in line with earlier findings that showed them to be more confrontational in their approach toward negotiations. The responses to this question paralleled those of the original study.

Question 23 sought to determine the importance negotiators place on preparing and maintaining agendas. Both groups, experienced and inexperienced alike placed moderate importance on the use of this tool with mean scores of 6.9 and 6.5 respectively. Both groups seemed to realize the benefits of having an agenda that covers major points and provides a sense of direction to a negotiation.



On the other hand, both also seem to realize that flexibility is an asset and that becoming too dependent on a set sequence of events can be used by an opponent to disrupt negotiations by simply not following the agenda. The mean scores to this question were almost identical to those of the first study.

Questionnaire #2 (This questionnaire was completed immediately prior to the start of the bargaining session.)

Question 9 sought to determine if any thought was given to the possible use of particular strategies or tactics prior to the start of the mock negotiations. Both groups had indeed given the matter thought and did have plans. In regard to strategy, both groups were very similar in their thinking and wanted to go into the bargaining with straight forward approaches and a win/win mind set. The experienced group expressed a desire to capitalize on their superior technical knowledge by focusing on details while the inexperienced group wanted to avoid details for the same reason.

In terms of tactics, the experienced group wanted to listen and then counter offer with the use of throw away concessions. The inexperienced group mentioned using historical data to challenge opponents' positions, low balling, and forbearance as their principal tactical tools. Both groups seemed very cognizant of the three hour time limit for the bargaining session, and it is felt that this somewhat limited the scope and depth of the responses.

Question 10 sought to find out how much thought negotiators gave to planning for areas of conflict and what those areas might be. Both groups listed profit margins, labor hours, and material costs as the top three areas for possible disagreement.

Question 11 asked the exact opposite of question 10 in that it sought likely areas of agreement. Both groups again were nearly identical in their responses listing labor rates, overhead rates, and material costs as their top three candidates. The most striking aspect of questions 10 and 11 is that they both point out how similar the two groups are in their perceptions of how the negotiations are

expected to progress. This researcher was surprised at this finding and fully expected there to be more difference due to the experience factor.

Question 12 sought to find out if a negotiator intended to deceive an opponent by hiding a desired objective or goal. The experienced group responded 25 to eight that they had no such intention. This was expected as their earlier stated strategy was to be open and straight forward in presenting their position. The inexperienced group however, appeared to be less committed to candor as earlier indicated, and more inclined to use deception with 31 opposed to and 23 in favor of deceptive tactics. This researcher can only conclude that the inexperienced negotiator is just not as confident of his position and approach to negotiations as is his experienced counterpart.

Question 13 asked if a negotiator had identified any of his opponent's objectives that he intended to block or prevent from happening. The intent was to see how aggressive and confrontational both groups were in pursuing their goals. As expected, the experienced group came across as being generally cooperative in their negotiation approach, responding 20 to 11 against blocking an opponent's goals. The inexperienced group however, again contradicted themselves. In answering an earlier question this group professed an attitude of compromise and cooperation, yet they responded here 32 to 21 in favor of blocking an opponent from reaching his goals which is more in line with a competitive mind set.

Question 14 sought to find out if negotiators deemed control an important factor of negotiation and if so, what tactics were used to achieve it. Both groups were almost identical in their responses both in terms of proportion to those responding affirmatively that control is important (58% for the experienced group and 59% for the inexperienced group), and in the tactics used (agendas, questions, and listening.) Question 15 proved to be a bit more revealing as to the differences between the two groups' perspectives on control. When asked if written agendas had been prepared for the upcoming bargaining session, only 16%

of the experienced group indicated that they had done so. Eighty-three percent of the inexperienced group responded that they had written agendas. While certainly not conclusive, these responses at least support the reviewed literature in advancing the notion that inexperienced negotiators are more dependent on control than their experienced counterparts.

Question 16 sought to determine how much thought and effort negotiators gave to using concessions as a tactic. When asked how many had gone to the trouble of making lists of concessions, 81% of the experienced group and 87% of the inexperienced group responded that they had. It is felt by this researcher that the popularity of concessions is indicative of the tactic's effectiveness and lends credence to both groups' earlier responses of cooperation and compromise as being the preferred method of negotiating.

Question 18 sought to find out how the negotiators felt about derision as a tactic. Fifty-eight percent of the experienced group said they expected such tactics to be used against them and 29% of the group intended to use the tactic themselves. The inexperienced group responded with 48% and 37% respectively. This moderate to low acceptance and use of derision is in line with earlier responses to the use of irritators, another negative tactic. Again both groups seem to have concluded that confrontation without persuasion is of very limited value.

Questionnaire #3 (This questionnaire was completed during the bargaining session.)

Question 1 sought to determine if the negotiator felt he was achieving his objectives. Both the experienced and inexperienced groups reported only moderate success at this stage of the negotiations with means of 5.77 and 5.96 respectively. In light of this finding, this researcher was surprised at the response to question 3 which asked whether or not the negotiator was still using his original strategic and tactical plans. With only the moderate success recorded in question 1, one would think that a negotiator might try a different approach. Yet 29 of the

31 experienced group and 53 of the 54 inexperienced group continued using their original plans. This response would seem to support the concept of "positional bargaining," that of a negotiator taking a position and then defending it to the death. It would also seem to be an indicator of the difficulty and skill required in being adaptable to considering different options.

Question 4 sought to find out to what extent the negotiator thought he was controlling the bargaining session. The experienced group responded with a mean of 5.97 and the inexperienced group 6.4. The closeness of the means indicates to this researcher that the two groups were rather well matched.

Questionnaire #4 (This questionnaire was completed at the conclusion of the bargaining session.)

Question 2 asked the negotiators in terms of percentages how effective they felt their strategies and tactics were in achieving objectives. The experienced group responded with an effectiveness rating of 71%, while the inexperienced group responded with 68%. With both groups being so close in their success rates, this researcher can only conclude that there was a fair amount of compromising on both sides, and that both sides were indeed fairly evenly matched.

Question 3 sought to find out if the negotiators were ever forced to change their strategies and tactics. Fourteen of the experienced group and 20 of the inexperienced admitted to doing so. These shifts in strategy seem to have happened near the end of the negotiations where the real dealing took place. It should be recalled that this same question was asked in questionnaire #3, roughly mid way through the negotiations, where little or no change in strategic positions was recorded by either side.

Question 6 sought to find out the success rate of those negotiators who chose to camouflage their objectives from their opponents. Only nine of the experienced group (31%) attempted to hide objectives and only three reported success. Thirty-two of the inexperienced group (59%) attempted to hide objectives

with only 14 reporting success. In view of the limited number of participants attempting deception and an even fewer number succeeding at it, this researcher would conclude that camouflage and deception are generally not worth the effort, and are counter productive to the negotiation process.

In concluding the analysis on this chapter, both groups came into the bargaining session well prepared with specific strategic plans and tactics ready to execute. The inexperienced group proved to be a bit more aggressive than their experienced counterparts in their approach, but part of this was no doubt due to their roles as buyers challenging what the experienced group was selling. All things considered, it is interesting to note how close the two groups were on many of their responses. Of the time spent in the bargaining sessions, it generally seemed that the first two and one half hours were spent posturing and feeling the other side out, leaving the last thirty minutes for the serious compromising and deal making.

## **H. SUMMARY**

This chapter addressed demographic, strategic, and tactical data collected from four questionnaires. The demographic data included general information on the participants and included such things as age, education, and professional experience. These data were then compared to the demographic data of the original study to ensure that both sample groups were representative of the same population.

The strategic and tactical data centered around the possible different approaches an experienced and inexperienced negotiator might use in preparing for and during a negotiation. The questions on questionnaire #1 were independent and touched on topics such as negotiating styles, use of tactics, authority issues, body language, deception, confrontation, and compromise. Questionnaires 2, 3, and 4 asked these same types of questions, but applied to different phases of an actual negotiation.



## IV. ETHICS

### A. INTRODUCTION

This chapter examines the empirical data collected on the four questionnaires regarding ethical decision making. The data are presented in the same format as the Fitzsimmons study to facilitate assimilation and comparison. The first part of this chapter contains the responses to Dr. Roy J. Lewicki's 18 questions as to whether a specific tactic is appropriate or likely to occur in a negotiation. The responses were scaled from 1 to 7, with 1 signifying highly inappropriate or unlikely to occur, and 7 signifying highly appropriate or likely to occur.

The second section of this chapter contains the remaining responses to ethical questions posed on questionnaires 1-4 and will follow the same format as that of chapter III.

### B. LEWICKI'S QUESTIONS

Question A. Threaten to harm your opponent if he or she doesn't give you what you want, even if you know you will never follow through to carry out the threat.

#### Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.161	.583	1-4	1

#### Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.194	.601	1-4	1

#### Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.22	.883	1-6	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.17	.545	1-4	1

Question B. Promise that good things will happen to your opponent if he or she gives you what you want, even if you know that you can't (or won't) deliver those good things when the other's cooperation is obtained.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.194	.601	1-4	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.419	1.057	1-5	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.226	.609	1-4	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.407	.880	1-4	1

Question C. Lead the other negotiator to believe that they can only get what they want by negotiating with you, when in fact they could go elsewhere and get what they want cheaper or faster.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.357	1.985	1-7	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.321	1.982	1-7	1



Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.472	1.601	1-6	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.566	1.635	1-7	1

Question D. Hide your real bottom line from your opponent.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.533	1.613	1-7	6

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.30	1.841	1-7	6

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.019	1.976	1-7	7

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.833	1.988	1-7	7

Question E. Make an opening demand that is far greater than what one really hopes to settle for.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.30	1.745	1-7	7

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.033	1.903	1-7	7

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.741	1.954	1-7	7

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.722	1.837	1-7	6,4

Question F. Gain information about an opponent's negotiating position and strategy by "asking around" in a network of your own friends, associates, and contacts.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.50	2.255	1-7	9

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.30	2.292	1-7	7

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.87	2.047	1-7	7

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.741	1.905	1-7	7

Question G. Gain information about an opponent's negotiating position by paying friends, associates, and contacts to get this information for you.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.433	1.331	1-7	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.286	.854	1-4	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.537	1.224	1-6	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.556	1.355	1-7	1

Question H. Gain information about an opponent's negotiating position by trying to recruit or hire one of your opponent's key subordinates (on the condition that the key subordinate bring confidential information with him or her.)

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.267	.828	1-5	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.267	.640	1-3	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.074	.328	1-3	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.352	1.031	1-7	1

Question I. Gain information about an opponent's negotiating position by cultivating his or her friendship through expensive gifts, entertaining, or "personal favors."

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.10	.403	1-3	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.233	.728	1-4	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.019	.136	1-2	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.222	.793	1-6	1

Question J. Make an opening offer or demand so high (or low) that it seriously undermines your opponent's confidence in his or her own ability to negotiate a satisfactory settlement.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.567	1.942	1-7	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.567	1.977	1-7	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.094	1.620	1-7	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.382	1.683	1-7	1

Question K. Talk directly to the people who your opponent reports to, or is accountable to, and tell them things that will undermine their confidence in your opponent as a negotiator.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.467	1.074	1-6	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.467	1.137	1-6	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.094	.354	1-3	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.396	1.007	1-6	1

Question L. Talk directly to the people whom your opponent reports to, or is accountable to, and try to encourage them to defect to your side.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.933	1.530	1-6	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.833	1.487	1-6	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.094	.405	1-3	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.346	1.101	1-7	1

Question M. Convey a false impression that you are in absolutely no hurry to come to a negotiation agreement, thereby trying to put more time pressure on your opponent to concede quickly.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.30	2.292	1-7	7

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.033	2.22	1-7	7

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.604	1.864	1-7	4

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.642	1.872	1-7	5

Question N. Threaten to make your opponent look weak or foolish in front of a boss or others to whom he or she is accountable.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.2	.551	1-3	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.3	.794	1-4	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.170	.427	1-3	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.358	.922	1-5	1

Question O. Intentionally misrepresent factual information to your opponent in order to support your negotiating arguments or position.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.2	.61	1-3	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.267	1.143	1-3	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.321	.996	1-6	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.623	1.404	1-7	1

Question P. Intentionally misrepresent the nature of negotiations to the press or your constituency in order to protect delicate discussions that have occurred.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.552	1.152	1-5	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.69	1.168	1-5	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.635	1.284	1-6	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.113	1.878	1-7	1

Question Q. Intentionally misrepresent the progress of negotiations to the press or your constituency in order to make your own position or point of view look better.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.483	1.022	1-4	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.793	1.449	1-6	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.396	.927	1-5	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.679	1.425	1-7	1

Question R. Intentionally misrepresent factual information to your opponent when you know that he or she has already done this to you.

Experienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.533	1.196	1-5	1

Experienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.633	1.351	1-6	1

Inexperienced-Appropriate:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.396	.987	1-5	1

Inexperienced-Likely:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.642	1.558	1-7	1



### C. QUESTIONNAIRE #1

Of the 24 questions on questionnaire #1, eight addressed ethical issues. Again, when reading these results please bear in mind that this questionnaire was distributed and completed well in advance of the actual negotiations.

Question 4. To what extent are ethical issues a priority or consideration in your preparation for a negotiation? Please state the extent and your rationale.

The purpose of this question is to evaluate the extent that a negotiator analyzes his or her bargaining position as well as other issues of a negotiation with regard to ethical considerations, e.g. will the negotiator avoid certain approaches to an agreement to prevent possibly being placed in a compromising position?

Experienced:

Top priority. (22)

Basis of negotiation policy. (3)

Ethical issues seldom arise. (1)

Validating actual hours is difficult to do in an ethical manner. (1)

Inexperienced:

High priority (23)

Top priority (19)

A consideration (3)

Question 6. How frank and candid are you normally during a negotiation?  
scale 1 to 10

The purpose of this question is to determine the negotiator's attitude towards frank and open discussions in overcoming the fear of being taken advantage of. A value of 1 represented favoring vague discussions and a value of 10 represented a preference for open discussions.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.258	1.653	4-10	8

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.667	1.614	3-10	7

Question 7. How much do you employ a "truth and trust" approach as opposed to a "deception and maneuver" approach during a negotiation? scale 1 to 10

The purpose of this question is to get a scaled response from the negotiator on how strongly he feels about being open in his approach, as opposed to being deceptive in bargaining with an opponent. A value of 1 represents a strong truth or trust position, and a value of 10 represents a strong deception and maneuver position.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.645	1.112	1-6	3

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.722	1.837	1-8	3

Question 8. What would be a principal reason you would expect a negotiator to attempt to deceive during a negotiation?

- a. Increase power.
- b. Disarm an opponent.
- c. Strike the best deal, to their advantage.
- d. Camouflage one's own position or objective.
- e. Other reason.

The purpose of this question is to evaluate what factors or conditions might lead a negotiator to consider deception.

Experienced:

- a. (3)
- b. (1)
- c. (13)
- d. (13)

Inexperienced:

- a. (3)
- b. (2)
- c. (28)
- d. (18)
- e. No creditable position to defend. (2)

Not making a profit or meeting goals. (1)

Question 10a. To what extent would you agree that the ethics associated with strategy and tactics practiced around the negotiating table are different from those practiced in other business relationships? scale 1 to 10

The purpose of this question is to determine if negotiators feel that there are a special set of rules that apply to negotiations that are different from other business settings, e.g. equating the rules of a game of poker to those of a negotiation. A value of 1 indicates no difference in the rules while a value of 10 indicates a great difference.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.207	2.731	1-10	3

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.685	2.598	1-10	3

Question 10b. In what ways are the ethics different?

The purpose of this question is to determine how negotiators make ethical distinctions between negotiations and other business endeavors.

Experienced:

Statutes and regulations place higher ethical emphasis on negotiations with the Government.

It is easier to exaggerate figures and capabilities in a negotiation.

The rules are different for a buyer and a seller from those of business partners.

One can always walk away from a negotiation without suffering significant loss, not so once a contract has been signed.

Inexperienced:

No experience to base an answer. (15)

People under pressure to cut a deal may go beyond their normal ethical standards in a negotiation. (7)

Ethics is ethics. (6)

Gamesmanship expected in a negotiation. (4)

Other business relationships have less ethical standards. (4)

Question 11a. Do you believe the ethical perspectives of a buyer are different from those of a seller? Yes or no.

The purpose of this question is to ascertain whether the ethical standards and practices of an individual are dependent upon the side he represents in a negotiation.

Experienced:

Yes (6)

No (21)

Inexperienced:

Yes (17)

No (37)

Question 11b. If "yes" then in what way might they be different?

The purpose of this question is to determine what differences exist in ethical standards between buyer and seller.

Experienced:

Seller looking to maximize profit. (1)

Seller is usually more deceptive. (1)

Government buyer has the force of law to support his position. (1)

Inexperienced:

Seller out to maximize profit. (6)

Seller has a tendency to exaggerate the capabilities of the product. (3)

Military and Government have higher ethical standards than do civilian counterparts. (2)

Question 12. Does your organization have a Code of Ethics? Yes or no. If so, how much has it influenced your conduct at the negotiating table? scale 1 to 10

The purpose of this question is to determine management's commitment to ethical conduct and its affect on employee behavior.

Experienced:

Yes (27)

No (3)

no response (1)

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.968	3.104	1-10	8

Inexperienced:

Yes (53)

No (0)

no response (1)

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.463	2.081	2-10	10

Question 13. To what extent is your handling of ethical issues influenced by: peers; boss; organization policy; personal standards? scale 1 to 10 for each

The purpose of this question is to determine the principal factors that affect the ethical behavior of a negotiator.

Experienced-Peers:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.806	2.522	1-8	1

Inexperienced-Peers:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.407	3.259	1-10	1

Experienced-Boss:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.032	3.22	1-10	1

Inexperienced-Boss:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.815	3.151	1-10	9

Experienced-Organization Policy:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.156	3.521	1-10	9

Inexperienced-Organization Policy:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.463	2.918	1-10	10

Experienced-Personal Standards:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
9.581	.72	8-10	10

Inexperienced-Personal Standards:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
9.426	1.744	1-10	10

## D. QUESTIONNAIRE #2

(Questionnaire #2 was completed immediately prior to the negotiations.)

Question 8. In the course of your preparation, have you identified any ethical issues that you anticipate will surface? What are they?

The purpose of this question is to determine if ethical issues were given any consideration in preparing for the negotiations.

### Experienced:

Yes (3)

No (27)

Truthfulness.

Incorrect calculations.

Questionable cost data.

### Inexperienced:

Yes (6)

No (43)

Double counting.

Discussed the use of sharp aggressive tactics.

Low balling.

Question 17. Is there any factual information that you intend to "misrepresent" in order to support your own negotiating position? Yes or no.

The purpose of this question is to determine how far a negotiator is willing to go in establishing and defending his position.

### Experienced:

Yes (0)

No (33)

### Inexperienced:

Yes (4)

No (50)

### **E. QUESTIONNAIRE #3**

(Questionnaire #3 was completed during a caucus of the negotiations once hard bargaining had started.)

Question 10. Have you encountered any unethical tactics? Yes or no.

The purpose of this question is to document any perceived unethical behavior that has occurred to this point in the negotiations.

#### Experienced:

Yes (1)

No (30)

#### Inexperienced:

Yes (0)

No (54)

### **F. QUESTIONNAIRE #4**

(Questionnaire #4 was completed at the conclusion of the negotiations.)

Question 7. Were you confronted with any unethical conduct? Yes or no.

If yes, what was it?

The purpose of this question is to document any perceived unethical behavior that has occurred in the final stages of the negotiations.

#### Experienced:

Yes (1)

No (32)

Good guy bad guy routine.

#### Inexperienced:

Yes (0)

No (54)

Question 9. Did you misrepresent any factual information in order to support your negotiating position? Yes or no. How effective were you in using this tactic? scale 1 to 10



The purpose of this question is to document if a negotiator resorted to misrepresentation in presenting his position during the negotiations.

Experienced:

Yes (2)

No (31)

Of the two respondents who misrepresented factual information, one marked a value of 7 and the other a value of 8 indicating that they were fairly successful.

Inexperienced:

Yes (5)

No (49)

Of the five respondents who misrepresented factual information, three marked values of 1 indicating no success and the two others marked values of 5 indicating only moderate success.

## **G. ANALYSIS**

The analysis of the material covered in this chapter is presented in the same order as it was given to the respondents. First, Dr. Leroy J. Lewicki's 18 questions/tactics are considered, drawing comparisons between experienced and inexperienced negotiators. Following this, the remaining questions from the four questionnaires regarding ethics are considered.

### **1. Lewicki's Questions**

As in the Fitzsimmons study, a statistical analysis based on a seven point scale was done regarding the responses of experienced and inexperienced negotiators as to the appropriateness and likelihood of various tactics being used. Means and standard deviations were derived from these responses and compared in the following ways:

1. The difference in means between the experienced and inexperienced groups in regards to individual tactics.

2. The appropriateness of a tactic as compared to the likelihood of that tactic being used.
3. Categorizing individual tactics by their average mean score.

In comparing the responses of the experienced and inexperienced negotiators on individual tactics, this researcher found even less difference between the two groups than the first study, and concluded that they were almost identical in their views on the ethical tactics considered. Over the range of 18 questions, the average difference between the experienced and inexperienced groups for the "appropriate" category was .27, and for the "likely" category only .22. The first study's differences were .65 and .83 respectively which was also considered very small by Fitzsimmons.

Another indicator as to the similarities of the two groups of negotiators was in the distribution or consistency of their responses. The average standard deviation of the responses within each group was 1.32 for the experienced and 1.24 for the inexperienced. In the original study, Fitzsimmons recorded average standard deviations of .83 for the experienced group and 1.52 for the inexperienced group. He concluded that this constituted a mild difference in the ethical perspectives between the two groups. This researcher disagrees with that conclusion, attributing the differences instead to a very small sample population (10 experienced and 11 inexperienced negotiators) with some outlying responses that varied significantly from the mean. In Fitzsimmons' own words, "two or three inexperienced negotiators marked answers significantly different from the others in their group." Once again, this research found the two groups to be very close in their views on the tactics considered.

As in the first study, there was also a strong correlation in the perceived appropriateness of a tactic and the likelihood of that tactic being used in a negotiation. The average difference between the mean responses for these two categories was .12 for the experienced group and .19 for the inexperienced group.

The final comparison of Lewicki's 18 questions divided the tactics into categories of acceptable, unacceptable, and gray based on the average mean score of each individual tactic. The unacceptable category included 12 tactics with mean scores that ranged from 1.14 to 1.75 and included the following:

QUESTION A. Threaten to harm your opponent if he or she doesn't give you what you want, even if you know you will never follow through to carry out the threat.

QUESTION B. Promise that good things will happen to your opponent if he or she gives you what you want, even if you know that you can't (or won't) deliver those good things when the other's cooperation is obtained.

QUESTION G. Gain information about an opponent's negotiating position by paying friends, associates, and contacts to get this information for you.

QUESTION H. Gain information about an opponent's negotiating position by trying to recruit or hire one of your opponent's key subordinates on the condition that the key subordinate bring confidential information with him or her.

QUESTION I. Gain information about an opponent's negotiating position by cultivating his or her friendship through expensive gifts, entertaining, or personal favors.

QUESTION K. Talk directly to the people who your opponent reports to, or is accountable to, and tell them things that will undermine their confidence in your opponent as a negotiator.

QUESTION L. Talk directly to the people whom your opponent reports to, or is accountable to, and try to encourage them to defect to your side.

QUESTION N. Threaten to make your opponent look weak or foolish in front of a boss or others to whom he or she is accountable.

QUESTION O. Intentionally misrepresent factual information to your opponent in order to support your negotiating arguments or position.

QUESTION P. Intentionally misrepresent the nature of negotiations to the press or your constituency in order to protect delicate discussions that have occurred.

QUESTION Q. Intentionally misrepresent the progress of negotiations to the press or your constituency in order to make your own position or point of view look better.

QUESTION R. Intentionally misrepresent factual information to your opponent when you know that he or she has already done this to you.

The gray category included two questions/tactics that had mean scores of 2.40 and 2.43 and included the following:

QUESTION C. Lead the other negotiator to believe that they can only get what they want by negotiating with you, when in fact they could go elsewhere and get what they want cheaper or faster.

QUESTION J. Make an opening offer or demand so high or low that it seriously undermines your opponent's confidence in his or her own ability to negotiate a satisfactory settlement.

The acceptable category included four questions/tactics that had mean scores that ranged from 3.88 to 5.17 and included the following:

QUESTION D. Hide your real bottom line from your opponent.

QUESTION E. Make an opening demand that is far greater than what you really hope to settle for.

QUESTION F. Gain information about an opponent's negotiating position and strategy by asking around in a network of your own friends, associates, and contacts.

QUESTION M. Convey a false impression that you are in absolutely no hurry to come to negotiation agreement, thereby trying to put more time pressure on your opponent to concede quickly.

In all three categories of acceptable, gray, and unacceptable there were clear breaks between the means distinguishing what tactic belonged where. The

contents of each category in this study exactly duplicated those of the original work with only minor differences in the category ranges. Generally, those tactics falling into the acceptable range were those most often found in traditional bargaining where negotiators for the most part are honest with each other in what they say and do. Those tactics falling into the unacceptable range blatantly misrepresented facts, isolated an opponent, or manipulated an opponent's environment to gain an advantage. Finally, those tactics falling into the gray area were those that attempted to manipulate the opponent's perceptions of circumstances and facts as opposed to his environment.

## **2. Questionnaire #1**

This Questionnaire was completed three weeks before the mock negotiations took place.

Question 4 sought to find out the extent to which ethical considerations played a part in negotiation preparations. Both the experienced and inexperienced negotiators alike responded in the strongest terms that ethical issues are a top priority and a basis for negotiation policy. These findings are very similar to those of the original study.

Question 6 sought to find out the negotiator's attitude towards frank and open discussions. In keeping with responses from chapter III, both groups of negotiators expressed a strong inclination towards frank and open discussions. The experienced group leaned a bit more in this direction with a mean 7.26 than did their inexperienced counterparts who had a mean of 6.67 but this is also in line with earlier responses. The original study had comparable mean scores of 6.9 for both groups.

Question 7 asked negotiators to rate their approaches in terms of "truth and trust" as opposed to "deception and maneuver." Again, the experienced group of negotiators tended to be a bit more trusting registering a mean score of 2.65 as compared to the 3.72 score of the inexperienced group. On a ten point scale both groups have a strong preponderance for openness in their negotiation

philosophies. The original study showed the same relationship and attitude with mean scores of 1.8 and 3.45 respectively.

Question 8 sought to find out what would tempt a negotiator to use deception as a tactic. Both groups mirrored each other in responding overwhelmingly that maneuvering for goal achievement and hiding one's own objectives were far more important than increasing power or disarming an opponent. The results were 26 to four for the experienced group and 46 to five for the inexperienced group. Fitzsimmons had similar findings in his study but his ratios were only 2 to 1 for both groups.

Question 10 asked to what degree ethics in a negotiation are different from those of other business relationships. Both the experienced and inexperienced groups again were very close in their responses with mean scores of 4.41 and 4.66 respectively. Both groups seem to accept that there are some differences in the ethics applied to negotiations. The means for the original study, while expressing the same general thoughts differed somewhat in magnitude with 3.6 for the experienced group and 5.36 for the inexperienced group. The inexperienced group of that study seemed to have more fully embraced the concept of "caveat emptor" (buyer beware) in negotiation proceedings.

Question 11 asked if ethical standards are different for buyers and sellers. The experienced group, who were all sellers in this study, responded 21 to six or better than 3 to 1 as there being no difference. The inexperienced group as buyers responded more conservatively 37 to 17, or approximately 2 to 1 as there being no difference. These findings were in line with those of the first study. The fact that the sellers of both studies viewed themselves as being on a higher ethical playing field than did their opponents should surprise no one and be attributed at least in part, to human nature and rationalization.

Question 12 sought to find out how much an organizational code of ethics influenced behavior at the negotiating table. Both groups responded very strongly that it did. Of the experienced group, 27 of 31 acknowledged that their

organizations had a code of ethics and that in terms of importance of it influencing behavior, they recorded a mean of 6.97. The inexperienced group being military, all acknowledged having an organizational code of ethics and recorded a mean of 8.46 as to its importance in influencing behavior. These findings are in agreement with those of the original study.

Question 13 sought to find out how much peers, bosses, organizational policy, and personal standards influenced behavior at the negotiating table. Both groups of negotiators were alike in their responses in prioritizing the effect of each category on their behavior. "Personal standards" far and away had the greatest impact on ethical conduct with means of 9.58 for the experienced group and 9.43 for the inexperienced group. The next category in importance was "organizational standards" with mean scores of 6.16 and 7.46 respectively. The last two categories were very close with "boss" just slightly edging out "peers" for third place with mean scores of 5.03 for the experienced group and 5.82 for the inexperienced group. These rankings matched those of the first study.

### **3. Questionnaire #2**

Questionnaire #2 was completed immediately prior to the start of the negotiations.

Question 8 sought to determine if any conscious thought was given to ethical considerations in preparing for the negotiations. The experienced group responded negatively 27 to three and the inexperienced group in like fashion responded 43 to six. This researcher interpreted these findings to mean that neither group of negotiators expected ethical misconduct to be an issue and as such was not worthy of consideration. Fitzsimmons, having similar responses in his original study, came to the same conclusion.

Question 17 asked if the negotiator intended to misrepresent any information in establishing a bargaining position. The experienced group responded 31 to zero that they would not and the inexperienced group responded 50 to four that they had no such intentions. These findings reinforce earlier

responses by both groups regarding their preferences for straight forward and open negotiations. The first study had no negotiators from either group that intended to misrepresent information.

#### **4. Questionnaire #3**

Questionnaire #3 was completed during a caucus in the negotiations once hard bargaining had commenced.

Question 10 sought to find out if any unethical conduct had been encountered to that point in the negotiations. This turned out not to be an issue as only one negotiator out of 85 reported an incident of unethical conduct. The original study reported zero incidents.

#### **5. Questionnaire #4**

Questionnaire #4 was completed immediately following the conclusion of the negotiations.

Question 7 served as a follow on to question 10 in asking if any unethical conduct had been encountered at any point in the negotiations. There were no additional incidents of unethical conduct reported.

Question 9 served as a follow on to question 17 in asking if any misrepresentation of factual information had taken place during the negotiations. Only seven of the 85 participants acknowledged misrepresenting information. Of these seven, only four indicated any form of success in the endeavor. Only one of 20 of the original study's participants attempted misrepresentation and he was only moderately successful. It would seem that honesty is indeed the best policy not only from a moral perspective but because it works.

In concluding on ethics, this researcher found both groups of negotiators to be very ethical and similar in their views on the questions asked. It is felt that if ethical differences are to be discovered between experienced and inexperienced negotiators, a more intense environment will have to be generated where there would be rewards for goal achievement and penalty costs for failure.



## **H. SUMMARY**

This chapter has addressed the issue of ethics. First, Dr. Leroy J. Lewicki's 18 questions/tactics were broken down into three categories with four tactics falling into the acceptable range, 12 tactics falling into the unacceptable range, and two tactics falling into the gray range. Both experienced and inexperienced negotiators alike expressed a preference for being straight forward and open in their approach to negotiations as opposed to hiding objectives or attempting to gain a tactical advantage in forcing an agreement.

Next, the remaining ethical questions from questionnaires 1 through 4 were considered. Both groups of negotiators acknowledged that ethics play an important part in negotiations but that ethical conduct is an expected behavior and therefore does not really require much thought. This was born out in this study as only one negotiator out of 85 perceived an opponent as using an unethical tactic. Both experienced and inexperienced negotiators shared remarkably similar views on the issues covered, even more so than in the original study by Fitzsimmons.



## V. GENERAL VIEWS ON NEGOTIATIONS

### A. INTRODUCTION

This chapter examines collected data regarding general insights into the negotiation process. Again, the information was collected via four questionnaires and is presented in the same format as previous chapters.

### B. QUESTIONNAIRE #1

Questionnaire #1 was completed three weeks before the negotiations.

Question 1. Do you normally view negotiations as:

- a. a necessary evil required to strike a deal
- b. a competitive process to get the best deal
- c. an information exchange process to strike a fair deal
- d. other

The purpose of this question is to evaluate the negotiator's general views of the negotiation process.

<u>Option</u>	<u>Experienced</u>	<u>Inexperienced</u>
a. Necessary evil required to strike a deal.	(2)	(3)
b. Competitive process to get the best deal.	(7)	(19)
c. An information exchange process to strike a fair deal.	(21)	(31)
d. Other: Cooperative effort to fulfill a need.	(1)	
d. Other (inexperienced): Cheat or be cheated.		(1)

Question 2. What are your top three objectives in a negotiation?

The purpose of this question is to determine what the negotiator's objectives are and to see if there are any similarities between the two groups.

Experienced

- Fair and reasonable price. (20)
- Mutually beneficial agreement. (11)
- Foster a good future business relationship. (9)
- Meet company objectives for this contract. (8)
- Exchange of information. (6)

Inexperienced

- Fair and reasonable price. (37)
- Mutually beneficial contract, win/win. (16)
- Foster future business relationship. (14)
- Quality product. (10)
- Reach an agreement. (7)
- Ensure delivery schedule. (7)
- Best value. (6)

Question 15. To what extent do you view conflict as a necessary, natural, and productive part of the negotiation process? scale 1 to 10

The purpose of this question is to evaluate how a negotiator views conflict. Whether he sees it as a destructive force detrimental to the negotiation process or as something necessary and useful to define issues and reach compromises. A value of 1 means that conflict has no productive role in the negotiations while a value of 10 indicates that it was most useful.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.645	2.55	1-10	6

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.204	2.05	2-10	5

Question 19. Which capabilities do you view as essential to a good negotiator? Please rank in order of priority.

- a. clear and rapid thinker
- b. communication skills
- c. analytical ability
- d. poker face
- e. patience
- f. objectivity
- g. diplomatic skills
- h. sense of humor
- i. good listener
- j. other

The purpose of this question is to determine what skills a negotiator feels are most useful in a negotiation. The answers to the question were averaged and then ranked with the lowest value having the highest importance.

	<u>Experienced</u>		<u>Inexperienced</u>	
a. clear and rapid thinker	3.97	(3)	2.63	(2)
b. communication skills	1.86	(1)	2.59	(1)
c. analytical skills	4.03	(4)	4.41	(4)
d. poker face	8.38	(9)	7.70	(9)
e. patience	5.00	(5)	5.35	(5)
f. objectivity	5.10	(6)	5.76	(7)
g. diplomatic skills	5.69	(7)	5.52	(6)
h. sense of humor	7.34	(8)	7.41	(8)
i. good listener	3.41	(2)	3.63	(3)
j. other	10	(10)	10	(10)

Question 20a. In negotiation planning, how likely are you to actively develop several different options or alternatives? scale 1 to 10

The purpose of this question is to evaluate the efforts of the negotiator in considering alternative solutions as a means of reaching an agreement. This question also served as an indicator of how far a negotiator was willing to venture away from his own primary bargaining position in understanding the possible needs of the other party. A value of 1 represents no effort with a value of 10 representing great effort.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.968	1.703	3-10	9

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.981	1.584	3-10	8

Question 20b. How likely are you to attempt to anticipate the options and alternatives your opponent may develop? scale 1 to 10

The purpose of this question is the same as that of question 20a from the opposite perspective. The degree to which a negotiator can anticipate an opponent's position may imply an understanding of that position.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.813	1.857	2-10	8,9

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.981	1.511	4-10	8

Question 22. In your research and preparation for negotiation, do you focus most of your efforts around areas of conflict or areas of common ground? Why? scale 1 to 10

The purpose of this question is to determine if negotiators feel that there is an advantage to focusing their time and effort in preparing for negotiations on areas of common interest as opposed to conflict. A value of 1 indicated a strong

preference for concentrating on areas of conflict while a value of 10 indicated a preference for areas of agreement.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.097	2.879	1-10	8

Why:

Focus on common ground to build momentum to overcome areas of conflict.

(9)

Don't waste time on areas of agreement, it is the disagreement that needs to be resolved. (9)

Concentrate on the conflict to prepare alternative approaches. (1)

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.278	2.437	1-9	8,3

Why:

Initial agreement will break the ice and set the stage for compromise on both sides. (15)

Concentrate on the areas of conflict that are blocking the agreement. Why waste time talking about something both sides already agree on. (14)

Question 24. Are negotiation planning and tactics likely to be different for a "one time" business deal as opposed to a "long term" business deal? Yes or no. What do you do differently?

The purpose of this question is to determine if there are differences between short and long term business dealings at the negotiating table and if they exist, what those differences are.

Experienced:

Yes (20)

No (11)

Differences:

Nurture a long term contract into a business partnership where both parties are working together as opposed to one working for the other. (8)

More care and discretion is required in forming long term relationships as both the losses and gains tend to be more acute. (7)

There should be no difference as you never know when a short term relationship can turn into one of long term. (3)

Inexperienced:

Yes (41)

No (12)

no response (1)

Differences:

More apt to make concessions to the seller in a long term relationship. (17)

Greater attention to detail in long term contracts. (5)

Spend more time planning and preparing for a long term contract. (4)

Less apt to strong arm the seller in a long term agreement. (2)

## **C. QUESTIONNAIRE #2**

Questionnaire #2 was completed immediately before the negotiations took place.

Question 1. What are your top three objectives in this negotiation?

The purpose of this question is to determine the principal objectives for this negotiation and evaluate how well the negotiators are able to define these objectives.

Experienced:

Fair and reasonable price. (20)

Meet company profit objectives. (16)

Mutually beneficial contract. (13)

Foster long term business relationship. (6)



Reach an agreement. (6)

Please the customer. (4)

Inexperienced:

Keep costs close to target objective. (39)

Reduce profit percentage. (18)

Fair and reasonable price. (12)

Change contract type to firm-fixed-price. (12)

Reach a mutually beneficial agreement. (9)

Question 2. How much time did you spend in preparation for this negotiation? (For industry negotiators, please state the amount of time you would have spent in preparation were this a real negotiation.)

The purpose of this question is to compare the amount of time both experienced and inexperienced negotiators spent in preparing for this negotiation.

	<u>Experienced</u>	<u>Inexperienced</u>
1 - 5 hours	(2)	(0)
6 - 10 hours	(7)	(14)
10 - 13 hours	(9)	(15)
14 + hours	(13)	(23)

Question 3. How do you view the strength of your position in this negotiation?

The purpose of this question is to evaluate how negotiators view their own positions at the outset of the negotiations. These answers serve as a base for comparisons later in the proceedings.

	<u>Experienced</u>	<u>Inexperienced</u>
a. strong	(24)	(14)
b. moderate	(6)	(32)
c. weak	(1)	(6)

Question 4. What three things contribute to the strength of your position?

The purpose of this question is to define what each group of negotiators perceives as a strength in their negotiating positions.

Experienced:

Experience in building the product/ past performance. (24)

Actual knowledge of costs. (12)

Our preparation. (10)

We are the sole source. (7)

Inexperienced:

Follow-on procurement. (20)

Ample amounts of historical cost data to support position. (16)

Good DCAA audit. (14)

Contractor needs the business. (7)

Preparation. (6)

Question 5. What three things contribute to the weakness of your position?

The purpose of this question is to define what each group of negotiators perceive as weaknesses in their negotiation positions.

Experienced:

Poor proposal full of mistakes. (10)

Don't know the opponent or his needs. (7)

Costs are high and difficult to justify. (7)

Time is short to reach an agreement. (4)

Inexperienced:

Contractor is sole source. (32)

Limited information. (12)

Contractor's superior knowledge of the product. (7)

Weak technical background. (5)

Limited time to reach an agreement. (5)

Question 6a. What do you perceive to be the strengths of your opponent's position?

The purpose of this question is to determine if a negotiator spent any time analyzing his opponent's strengths and if these strengths corresponded to the negotiator's own bargaining weaknesses. This question also serves as a baseline for comparisons later in the negotiations.

Experienced:

Opponent is the only buyer. (10)

Opponent's access to historical cost data. (3)

Our weak proposal. (3)

Opponent's time to prepare (3)

Inexperienced:

Contractor is sole source. (21)

Experience. (14)

Good past performance. (8)

Contractor knows his business better than we do. (6)

Question 6b. What do you perceive to be the weaknesses of your opponent's position?

The purpose of this question is to determine if a negotiator spent any time analyzing his opponent's weaknesses and if these weaknesses corresponded to the negotiator's own bargaining strengths. This question also served as a baseline for comparisons later in the negotiations.

Experienced:

Their lack of experience. (9)

Opponent's lack of technical knowledge. (8)

We are sole source. (7)

Inexperienced:

Availability of cost data. (6)

Contractor needs the business. (6)

Contractor heavily dependent on Government contracts. (4)

Question 7. Have you identified in writing the positions or arguments you expect your opponent to present? Yes or no.

The purpose of this question is to determine the importance a negotiator places on his opponent's position to the extent that he would write it down and make it part of his own agenda.

<u>Experienced</u>	<u>Inexperienced</u>
Yes (20)	Yes (31)
No (11)	No (23)

#### **D. QUESTIONNAIRE #3**

Questionnaire #3 was completed during a caucus of the negotiations once hard bargaining had started.

Question 1. To what extent do you believe you are achieving your objectives? scale 1 to 10

The purpose of this question is to determine the success rate of pre-negotiation planning and the effectiveness of tactics used to this point in the negotiation. A value of 1 means that objectives are not being met while a value of 10 means that all objectives are being achieved.

##### Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.774	2.376	1-10	7

##### Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.963	1.913	2-10	5

Question 2. Have you modified any of your top three objectives? Yes or no. If yes, why?

The purpose of this question is to identify shifts in bargaining positions and why they occurred.

Experienced:

Yes (10)

No (20)

no response (1)

Why?

Needed to modify objectives to reach an agreement. (4)

Opposition wanted to change contract type.

Inexperienced:

Yes (22)

No (32)

Why?

Clarification of contractor's figures. (5)

Not realistic in profit projections, gave contractor more profit. (3)

Contractor not willing to discuss details, focused on the bottom line. (3)

Question 5. Do you think you will reach an agreement or impasse?

The purpose of this question is to determine if any real bargaining has taken place and if the use of tactics has been effective to this point of the negotiations.

	<u>Experienced:</u>	<u>Inexperienced:</u>
Agreement	(30)	(50)
Impasse	(1)	(4)

Question 6. Have you been able to identify your opponent's strengths and weaknesses? Yes or no.

The purpose of this question is to evaluate the success with which a negotiator was able to read his opponent in identifying his strengths and weaknesses.

Experienced:

	<u>Yes</u>	<u>No</u>	<u>no response</u>
Strengths	(27)	(3)	(1)
Weaknesses	(21)	(8)	(2)

Inexperienced:

	<u>Yes</u>	<u>No</u>	<u>no response</u>
Strengths	(50)	(2)	(2)
Weaknesses	(36)	(16)	(2)

Question 7. Were your perceptions as to your opponent's strengths accurate? scale 1 to 10

The purpose of this question is to determine the accuracy of a negotiator's perceptions relative to his opponent's strengths. A value of 1 indicated complete inaccuracy while a value of 10 indicated complete accuracy.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.414	2.027	1-9	7,8

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.648	1.706	1-10	7

Question 8. Were your perceptions as to your opponent's weaknesses accurate? scale 1 to 10

The purpose of this question is to determine the accuracy of a negotiator's perceptions relative to his opponent's weaknesses. A value of 1 indicated complete inaccuracy while a value of 10 indicated complete accuracy.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.367	2.059	1-9	7

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.889	1.679	1-10	6

Question 9. How are your arguments holding up under fire? scale 1 to 10

The purpose of this question is to evaluate how effective the negotiator's research was in preparing for this negotiation. A value of 1 indicated complete failure while a value of 10 indicated complete success.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.935	1.413	4-10	7

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.907	1.696	1-10	5

#### **E. QUESTIONNAIRE #4**

Questionnaire #4 was completed immediately after the negotiations concluded.

Question 1. To what extent did you achieve your top three objectives?  
scale 1 to 10

The purpose of this question is to determine a negotiator's effectiveness in applying tactics and act as a follow up on objective achievement. A value of 1 meant complete failure while a value of 10 indicated complete success.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.758	2.264	1-10	7,8

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.556	2.229	1-10	8

Question 4. Did you reach an agreement? Yes or no. If "yes", was this agreement within the negotiating range you had established prior to the negotiation? Yes or no.

The purpose of this question is to identify if an agreement was reached and if that agreement was within the scope of anticipated outcomes. Being able to

reach an agreement within range also served as an indicator of how well the negotiator understood the issues on both sides of the negotiating table.

Experienced:

Reach agreement:

Yes (27)

No (4)

Within range:

Yes (14)

No (5)

no response (12)

Inexperienced:

Reach agreement:

Yes (51)

No (3)

Within range:

Yes (31)

No (7)

no response (16)

Question 5. How well do you think you were able to anticipate your opponent's position? scale 1 to 10

The purpose of this question is to get the negotiator's assessment of his research and preparation for this negotiation. A value of 1 indicated complete failure while a value of 10 indicated complete success.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.242	1.921	3-10	6

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.074	1.779	1-10	6,7,8

Question 8. How did you resolve areas of conflict?

The purpose of this question is to identify and evaluate how a negotiator approached the issue of conflict and the tactics he used to mitigate it.

Experienced:

Compromise. (9)

Discussion/analysis. (7)

Caucus and then revisit the issue. (4)



Moved on to smaller issues and then come back to the real area of conflict. (3)

Inexperienced:

Discussion. (17)

Compromise. (13)

Moved on to smaller issues and then came back to the real area of conflict. (5)

Question 10. How effective do you think your opponent was at presenting his or her position? scale 1 to 10

The purpose of this question is to ascertain how a negotiator perceived his opponent's effectiveness in the negotiations. A value of 1 indicated a poor performance while a value of 10 indicated exceptional success.

Experienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.688	1.975	1-10	7

Inexperienced:

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.667	1.822	1-10	8

Question 11. What do you think was your opponent's greatest weakness as a negotiator?

The purpose of this question is to identify traits that negotiators view as weaknesses.

Experienced:

Obstinate. (3)

Lack of industrial knowledge. (3)

Getting emotionally involved (anger). (2)

Could not think outside numbers. (2)

Not well enough prepared. (2)

Inexperienced:

Not well enough prepared. (10)

None noted. (9)

Inflexibility. (3)

Obvious dislike of DCAA. (3)

Question 12. What do you think was your opponent's greatest strength as a negotiator?

The purpose of this question is to identify traits that negotiators view as strengths.

Experienced:

Well versed with cost figures. (5)

Cooperative. (4)

Well prepared. (3)

Persistent. (3)

Professional bearing. (2)

Inexperienced:

Well prepared, superior knowledge of pertinent facts. (15)

Experience. (12)

Poise. (6)

Clear thinker, good with counter proposals. (3)

Question 13. In terms of attributes or traits, how would you describe your opponent? cite 2

The purpose of this question is to elicit general impressions of how the negotiators viewed their opponents' negotiating skills.

Experienced:

Honest/straight forward. (6)

Persistent. (6)

Well prepared. (4)

Professional. (3)

Inexperienced:

Professional. (13)

Knowledgeable. (11)

Honest/straight forward. (7)

Problem solver, looking for ways to reach an agreement. (6)

Stubborn. (3)

Arrogant. (3)

Confident. (3)

## **F. ANALYSIS**

The analysis of this chapter focused on the negotiators' general perceptions of goal achievement, conflict resolution, and negotiator traits.

1. Questionnaire #1 (Questionnaire #1 was completed three weeks before the negotiations.)

Question 1 sought to find out how negotiators view the negotiation process. sixty-eight percent of the experienced group expressed that they viewed the proceedings as an informal exchange of information to strike a fair deal. Twenty-three percent viewed the proceedings as a competitive event to get the best deal. The inexperienced group responded in a similar fashion but with a stronger preference for competition. Fifty-seven percent said that they view negotiations as an exchange of information and 35% said they viewed it as a competition. The original study had responses from both groups hovering around 70% as viewing the process as an information exchange.

Question 2 sought to document the negotiator's general objectives on entering a negotiation. Both groups had the same top three objectives prioritized in the same order and included: fair and reasonable price, mutually beneficial agreement, and fostering good future business relationships. The original study's findings were exactly the same.

Question 15 sought to find out if negotiators view conflict as a destructive force or as something necessary and useful in reaching an agreement. With 10 being the maximum mark for usefulness, the experienced group's mean was 5.65 indicating that there is a place for conflict in a negotiation. The inexperienced

with a mean score of 6.2. The original study showed the same relationship but with a little wider range in positions.

Question 19 asked the respondents to rank nine personal traits as to their value in a negotiation. Both groups were nearly identical in their rankings with communication skills, good listening, and clear and rapid thinking being the top three traits. The bottom two traits for both groups were a sense of humor and a poker face. These findings are again in line with earlier responses from both groups who professed an attitude of being straight forward and open in negotiation styles. This ranking of traits is identical to the original study.

Question 20a sought to evaluate the efforts of the negotiators in developing alternative solutions in reaching an agreement. Both groups responded very strongly with mean scores of 7.97 for the experienced group and 7.98 for the inexperienced group that alternative solutions were indeed very much a part of negotiation strategies. Question 20b asked if negotiators ever attempted to anticipate an opponent's alternative options. Both groups again responded affirmatively with mean scores of 7.81 and 7.98 experienced and inexperienced respectively. The findings of 20a and 20b are in agreement with the original study.

Question 22 sought to find out if negotiators focused their preparations on areas of conflict or areas of agreement. On a 10 point scale, with 1 signifying conflict and 10 signifying agreement, both groups responded as expected in leaning towards the agreement end of the spectrum. The experienced group had a mean score of 6.10 and the inexperienced group came across as being a bit more confrontational with a mean of 5.28. While this same relationship held for the two groups in the original study, they both chose to focus their preparations towards the conflict end of the spectrum with means of 4.20 and 3.27, experienced and inexperienced respectively.

Question 24 asked the negotiators if they differentiated their negotiation tactics between long and short term business relationships. Both groups of negotiators responded that they did by ratios of 2 to 1 for the experienced group

and almost 3 to 1 for the inexperienced group. Both groups expressed the sentiment that greater attention to detail was required for the long term relationship as the potential for losses and gains was more acute, and that in long term business relationships both parties are more or less in a partnership working together as opposed to one party working for the other. The experienced group of the original study matched these sentiments but the inexperienced group responded nine to 11 that there was no difference in how they negotiated long and short term business deals. This researcher agrees with Fitzsimmons' assessment that this group seemed to lack an understanding of time and resource constraints of the real world.

Questionnaire #2 (Questionnaire #2 was completed just before the negotiations started.)

Question 1 asked the negotiators to list their top three objectives on entering into the negotiations. For the experienced group the objectives were a fair and reasonable price, meet company profit criteria, and a mutually beneficial contract. For the inexperienced group the top three objectives were to keep the contract close to target, reduce profit percentage, and a fair and reasonable price. Like the first study, the experienced group seemed to be more general in their objectives and bent toward fostering a solid business relationship. The inexperienced group tended to be more focused on specifics in their objectives and a little more inclined towards confrontation.

Question 2 sought to find out how much time the negotiators spent in preparing for the negotiations. Both groups were almost identical with the experienced group averaging 11.36 hours and the inexperienced group averaging 11.8 hours. In the original study, all 11 of the inexperienced negotiators spent more than 10 hours preparing, but only three of the nine experienced group spent that much time. As a consequence, Fitzsimmons reported that the inexperienced group was better versed with the details of their cases.

Question 3 asked the negotiators how they felt about their positions in terms of bargaining strengths. The experienced group responded with 78% indicating a strong bargaining position, 19% indicating a moderate position, and only 3% indicating a weak position. The inexperienced group on the other hand, responded with only 27% indicating a strong position, 62% indicating a moderate position, and 11% indicating a weak position. One possible reason for this difference was mentioned in the literature in that the experienced negotiator seems to know that "one gets what one bargains for, not what one deserves." Having a positive attitude, while no substitute for thorough preparation, has a lot to do with maximizing returns or making the best of a bad situation. The original study showed both groups of negotiators to be evenly split in their perceptions.

Question 4 sought to find out what the negotiators perceived as strengths in their own bargaining positions. The experienced group cited experience in building the product, actual knowledge of costs, and being sole source as the top three. The inexperienced group cited follow-on procurement, ample amounts of cost data, and a good DCAA audit as their top three. Question 5 asked each group to assess the weaknesses of their positions. The experienced group here cited a poor proposal, lack of knowledge of the opponent, and the need to justify high costs. The inexperienced group cited the contractor being sole source, limited information, and the contractor's superior knowledge of the product as their principal weaknesses. Question 6 shifted the scenario and asked each group to assess the other side's bargaining strengths and weaknesses. Both groups seem to have similar perceptions of the relevant facts of the negotiations as many of the strengths of one side were mirrored as weakness by the other. The original study showed the same relationship.

Question 7 sought to find out how much importance a negotiator places on his opponent's bargaining position to the extent that he would write it down and make it part of his own agenda. Sixty-five percent of the experienced group and 57% of the inexperienced group indicated that they had done so.

Questionnaire #3 (Questionnaire #3 was completed during a caucus in the negotiations once hard bargaining had begun.)

Question 1 sought to find out how the negotiators believed they were doing in achieving their objectives. On a scale of 1 to 10, with 10 being completely successful, both groups reported only moderate success with means of 5.78 and 5.96, experienced and inexperienced respectively. Question 2 asked the negotiators if they had modified their original objectives. Fifty percent of the experienced group and 41% of the inexperienced group indicated that they had. The percentages here would seem to support the literature in that the experienced negotiator is more inclined to show movement in his position in an effort to reach an agreement. When asked on question 5 if they felt they would reach an agreement, 97% of the experienced group and 93% of the inexperienced group responded that they would. The reader is reminded that at this stage of the negotiations the participants are in the middle of hard bargaining.

Question 6 asked the negotiators if they were able to identify their opponent's strengths and weaknesses. As expected, both groups reported little trouble in identifying the others strengths as most negotiators go out of their way to accentuate the strengths of their own position. Ninety percent of the experienced group and 96% of the inexperienced group felt they had adequately identified the other side's strengths. Using the opposite side of the same logic, that a negotiator would down play any weaknesses in his position, the experienced group reported only a 78% success rate in identifying their opponent's weaknesses as compared to a 69% success rate for the inexperienced group.

Questions 7 and 8 sought to find out how accurate the negotiators felt their assessments were on question 6. Both groups responded with average means of 6.39 and 6.28, experienced and inexperienced respectively, indicating a moderate amount of confidence at being able to read and anticipate their opponent.

Question 9 asked both groups how they felt their arguments were holding up under fire. With a mean of 6.94, the experienced group come across as being

more confident of their position than did their counterparts with a mean of 5.91. In question 2, the experienced group was shown to have modified their position more than the inexperienced group. It is felt that the inexperienced group may now be preparing to compromise a bit as the negotiators move into the final stages of bargaining.

Questionnaire #4 ( Questionnaire #4 was completed at the conclusion of the negotiations.)

Question 1 asked the negotiators to what extent they achieved their objectives. The experienced group responded with a mean of 6.76 and the inexperienced group 6.66. With only a .1 difference in the success rates, both groups again seemed to be fairly equally matched. One set of negotiators was unable to reach an agreement.

Question 4 asked if the negotiators reached an agreement. Twenty-seven of the 31 experienced group and 51 of the 54 inexperienced group responded that they did. This high success rate compares favorably with the original study where everyone reached an agreement.

Question 5 asked the negotiators how well they were able to anticipate their opponent's bargaining position. As in question 7 of questionnaire #3 both groups reported moderate success with means of 6.24 and 6.07, experienced and inexperienced respectively.

Question 8 sought to find out by what means the negotiators resolved conflict. Both groups listed compromise, discussion, and bridging from smaller issues as their top three choices. These same tactics were listed in the original study.

Question 10 asked the negotiators to judge their opponent's effectiveness at the bargaining table. The experienced group gave their counterparts a rating of 6.69 while the inexperienced group rated them 7.67. Both groups rated each other higher in the original study with means of 8.88 and 8.01 respectively.



Question 11 asked the negotiators to list their opponent's weaknesses. The experienced group listed lack of industrial knowledge, emotional involvement (anger), and obstinate as the leading weaknesses. The inexperienced group listed lack of preparation and inflexibility. The second most common response however, was no noted weaknesses which reaffirms an earlier assessment that the experienced group was more successful at hiding their weaknesses.

Questions 12 and 13 asked the negotiator to assess his opponent's strengths and attributes as a negotiator. Both groups were almost identical with cooperative, professional, and being well prepared leading both lists. On the subject of attributes, the only negative responses came from the inexperienced group who listed stubborn and arrogant. These responses however, were at the bottom of the list in terms of prevalence and were probably thrown in by the group that got angry and did not reach an agreement.

#### **G. SUMMARY**

In summary, this chapter has presented the responses to the general negotiation questions contained in the four questionnaires. Both groups came across as being very similar in their perceptions of pertinent facts and setting objectives but different in how they achieved those objectives. The inexperienced group showed themselves to be more competitive and less flexible. Throughout the course of the negotiations, both groups showed themselves to be well prepared and fairly equally matched.



## **VI. CONCLUSIONS AND RECOMMENDATIONS**

### **A. INTRODUCTION**

The purpose of this chapter is to present data drawn from this research and apply them to the conclusions of the Fitzsimmons study in an effort to corroborate those findings. The original study's conclusions are stated first followed by a brief discussion. Where warranted, alternative conclusions are suggested. Recommendations for further research will also be presented.

### **B. CONCLUSIONS**

1. Both experienced and inexperienced negotiators assumed a cooperative approach to the negotiations.

The data throughout the study overwhelmingly supported this conclusion. In chapter III, question five on questionnaire #1 documented 94% of the experienced group and 85% of the inexperienced group favoring cooperation and compromise over competition. Question 16 of the same questionnaire listed "presenting facts in a straight forward and honest fashion" as being the most often used tactic by the negotiators.

Chapter IV documented the negotiator's preference for truth and trust in their approach to bargaining, and frank and open discussions with no misrepresentation of facts. Both groups frowned on the use of irritators realizing that confrontation without persuasion is of little value.

In Chapter V, the majority of both groups stated that they viewed negotiation as an "informal exchange of information to strike a fair deal." Both groups also prioritized the same objectives on entering the negotiations, that of a fair and reasonable price, mutually beneficial agreement, and fostering positive future business relationships. All of these data reflect a cooperative attitude towards the negotiation process.

2. Experienced negotiators are more cautious in their approach to and assessment of negotiations.

The data of this study do not support this conclusion under the context with which it was formed in the original study. Fitzsimmons found the experienced group of negotiators to be more conservative in judging their effectiveness during the negotiations and more restrained in the use of questionable tactics. This researcher found that the experienced group consistently rated themselves superior to their opponents. Question 3 of chapter V asked the negotiators how they felt about the strengths of their bargaining position. Seventy-eight cited a strong position and 19% cited a moderate position. Only 27% of the inexperienced group responded with a strong position and 62% with moderate. In question 9 of the same chapter, both groups were asked how their arguments were holding up under fire. The experienced group came out greater than 1 full point higher than their counterparts on a 10 point scale. And question 10 asked the negotiators to judge their opponent's effectiveness at the bargaining table. Again, the experienced group judged their opponents lower than they judged themselves. In terms of ethical conduct and reported success rates in the negotiations, this researcher found no discernible difference between the two groups.

What this researcher did find however, was that the inexperienced group was consistently more aggressive and confrontational. Question 13 of chapter III showed the inexperienced negotiators to be almost twice as likely as their counterparts to try to block an opponent from reaching a goal. Question 15 of the same chapter asked the negotiators if conflict was a positive or negative force in a negotiation. Question 22 asked the negotiators if they based their preparations on areas of agreement or areas of conflict. In both instances, the inexperienced group showed themselves to be more conflict oriented than the experienced group.

3. There was virtually no difference in how experienced and inexperienced negotiators viewed ethical issues.

The data of this research support the conclusion. In comparing the responses of both groups of negotiators on the ethical issues covered in chapter IV, this researcher found even less difference than the first study. Typical of the responses found, the average difference between the two groups over the range of 18 tactics with both groups judging what is "appropriate" and "likely," was only .27 and .22 respectively. The differences in the first study were .65 and .83, which Fitzsimmons thought were very small.

4. There is a strong correlation between how negotiators view their own strengths and weaknesses and how they view their opponents' strengths and weaknesses.

The data of this research support the conclusion. Both groups seem to have had similar perceptions of the relevant facts of the negotiations as indeed the strengths of one side would be mirrored as weaknesses of the other. For example, being sole source and having superior technical knowledge of a product would be listed as a bargaining strength to the contractor and a bargaining weakness to the buyer.

5. The line that separates the acceptable from the unacceptable tactic in terms of ethically is a relatively clear, discernible line.

The data of this research support the conclusion. With regard to the 18 Lewicki Questions of chapter IV, there was a clear break in the numerical values between each category of tactics, and the categories were rather narrow in width. For the "acceptable" category the means ranged from 3.88 to 5.17. For the "gray" category 2.4 to 2.43 and for the "unacceptable category" 3.88 to 5.17. Throughout the course of this research both groups of negotiators, experienced and inexperienced alike, agreed almost as one, as to what was acceptable behavior and what was not, to the point that it became a non-issue.

6. The results of this research identified two major areas that deviated from prior research: 1) the reasons for a negotiator opting to use deception in a negotiation; and 2) the major influences on ethical decisions.

While this research does not dispute the findings of the original study, it does not support this conclusion as the data of the original study were applied out of context to the literature.

1) In chapter IV of both studies the overwhelming response for using deception was to strike the best deal to one's own advantage and to camouflage one's position. Patrick Fitzsimmons felt that these findings deviated from those of Dr. Lewicki. Dr. Lewicki wrote that the primary reason for deception is to gain power over an opponent, to influence his decisions to the benefit of the deceiver, and that accurate information is a basis of this power. For some reason, Fitzsimmons seems to have stopped at the first use of the word "power" and interpreted the statement to mean that negotiators are principally motivated to deceive to gain power. This researcher maintains that when a negotiator opts to camouflage his position, he is in essence distorting the truth to his opponent in an attempt to influence his opponent's decision process and that this is in agreement with the literature.

2) Both studies found personal standards to have the greatest impact on ethical decisions. Fitzsimmons again concludes that these findings deviate from the literature where Dr. Lewicki writes of the impact of peers, bosses, and company policies on ethical conduct. Dr. Lewicki does not dispute that "personal values" are a significant factor affecting ethical considerations but rather, that they are poor predictors of ethical conduct in a particular environment such as a negotiation and difficult to measure. Therefore, he compared the affects of only peers, bosses, and company policy on ethical decision making, leaving the discussion of personal standards or values to its own section in the literature.

7. Negotiators embraced the "cooperative strategy" most often and the "competitive strategy" least often. No one particular tactic was identifiable as the most often used, but the "agenda" emerged as a useful tool in controlling the negotiation.

The data of this research support the conclusion. Both groups of negotiators expressed cooperative attitudes as the best means of achieving an agreement. The experienced group however, was stronger in their commitment as they were less aggressive and confrontational than their inexperienced counterparts. Both groups also equally rated the "agenda" as a significant tactic in controlling a negotiation.

8. The views, goals, and perspectives of negotiators changed very little from the beginning of the negotiation to the end of the negotiation.

While the data of this research do indeed show little movement in the negotiators' goals and perspectives, this researcher feels this conclusion is misleading. The negotiations had a three hour time limit and as a consequence, the negotiators were very limited in pursuing alternative options or modifying strategies as the bargaining progressed. Change must be predicated on something such as an impasse that is allowed to fully develop. This did not happen and therefore this research is inconclusive on this matter.

### **C. RECOMMENDATIONS**

1. The scope of this study should be narrowed or broken up into separate studies.

The categories of strategy, tactics, and ethics are too broad to adequately discern the differences between experienced and inexperienced negotiators. The differences between the two groups are not as apparent as one might think and will require a more in-depth and focused study to fully understand them.

2. The number of questions on questionnaire #1 should be reduced or split into a separate questionnaire.

On average it took the participants of the study 40 minutes to fill out questionnaire #1 and some of the responses near the end reflected an urgency to just get through it as opposed to giving quality responses.

3. The 18 Lewicki questions need to be restructured.

As indicated in this and the original study, there was little or no difference between the two groups of negotiators in their responses to the ethical issues covered with Lewicki's 18 questions. If differences in ethical perspectives are to be found, the tactics considered cannot be so blatantly acceptable or unacceptable.

4. Reduce the amount of demographic information collected.

Much of the demographic information collected served no purpose in the study and amounted to wasted time and effort. In determining if a negotiator is experienced in his field, it should be enough to ask him how many years he has been negotiating. The age of the participants, their level of education, length of time with present organization, and the negotiation seminars they attended within the last 11 years could have been left out as none of it was used to make the determination of who was experienced and who was not.

#### **D. ANSWERS TO RESEARCH QUESTIONS**

##### **1. Primary Research Question**

How does the experienced negotiator's perspective on tactics and strategy, ethics, and other relevant issues differ from those of the inexperienced negotiator?

Both groups of negotiators were remarkably similar in their perspectives on the issues covered in this study, and the few differences that were discovered were very subtle. As in the first study, both experienced and inexperienced negotiators adopted a cooperative approach to the negotiations with the inexperienced group being slightly more aggressive in their tactics. In terms of ethics, there were no discernible differences between the two groups at all. If real differences are to be discovered between experienced and inexperienced negotiators, the material used to discover those differences will need to be detail oriented and more focused.



## **2. Subsidiary Research Questions**

What are the negotiators' attitudes toward employing tactics or methods that could be considered unethical or unacceptable?

Neither the experienced nor the inexperienced group showed any inclination toward using tactics that could be considered unethical. Both groups seemed to equate ethical behavior with professionalism which made this a non-issue in the negotiations.

Which tactics and strategies do the negotiators consider ethical, and which tactics and strategies do the negotiators consider unethical?

Both groups responded in unison as to what was considered ethical and unethical. Those tactics that sought to misrepresent facts, isolate an opponent, or manipulate an opponent's environment against him were all considered unacceptable. Those tactics that were considered acceptable, generally had the negotiators being honest with each in trying to achieve a fair agreement for both sides.

How has the negotiator's position (objectives, strengths, and weaknesses) changed from the beginning of the negotiation to the end?

There was little movement from either the experienced or the inexperienced group in their bargaining positions. This was viewed however, not as a reflection of the negotiator's will or ability to alter his position but rather a reflection of the three hour time limit of the negotiations. There simply wasn't enough time to pursue alternative approaches.

How well did the negotiator's chosen strategy and tactics serve him during the negotiation?

Both groups did rather well as 78 of the 85 participants in this study did reach an agreement. Both groups came to the bargaining table well prepared with effective strategic and tactical plans and seemed evenly matched throughout the negotiations. The effectiveness ratings for both groups of negotiators were almost

identical when they were asked how they felt their strategies and tactics were working.

#### **E. SUGGESTIONS FOR FURTHER RESEARCH**

One area would be to study the differences between civilian and military cultures and how this may affect Government contract negotiations. For example, the military is structured on "positional authority," where business is carried out by giving and taking orders. There is little negotiation involved in this process, compared to the civilian business work environment, where negotiation and compromise are a way of life.

Another interesting topic might involve studying the difference in perspectives between buyers and sellers. To the extent negotiators tend to specialize as one or the other, a better understanding of the different perspectives would be beneficial to anyone interested in contract negotiations.

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